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THE WHITE HOUSE

WASHINGTON

March 2, 1976

MEMORANDUM TO: ROBERT ORBEN <sup>WMC</sup>

FROM: MYRON B. KUROPAS

SUBJECT: PRESIDENT'S FOREIGN POLICY SPEECH  
IN CHICAGO

It is my understanding that President Ford will make a major foreign policy speech in Chicago. If that is the case, I would very much appreciate the insertion of the two paragraphs encircled in the President's message to the Estonians. His actually saying what he has already written would have a great impact on the 250,000 Baltics in the Chicago metropolitan area.

*I did not see this. Elerka did see it  
but Kuropas needed immediately.  
Original message done by Kuropas.  
Cleared by Denis Clift, NSC.*



United States, and to the free world, to the world as a whole.

REPORTER. What are the possibilities of keeping the monitoring equipment going in the bases in Turkey, the American radio?

THE PRIME MINISTER. For the time being, we have stopped the activities, as you know.

Q. What are the possibilities of starting them again?

THE PRIME MINISTER. We will see.

Q. What does it depend upon?

THE PRIME MINISTER. I cannot tell you right now.

THE PRESIDENT. Good luck this morning.

REPORTER. Thank you, sir.

NOTE: The question-and-answer session began at 9:15 a.m. at the U.S. Embassy Residence.

As printed above, this item follows the text of the White House press release.

## HELSINKI: CONFERENCE ON SECURITY AND COOPERATION IN EUROPE

*The President's Remarks to the Conference in Finlandia Hall. August 1, 1975*

*Mr. Chairman, my distinguished colleagues:*

May I begin by expressing to the Governments of Finland and Switzerland, which have been superb hosts for the several phases of this Conference, my gratitude and that of my associates for their efficiency and hospitality.

Particularly to you, President Kekkonen, I must convey to the people of the Republic of Finland, on behalf of the 214 million people of the United States of America, a reaffirmation of the long-standing affection and admiration which all my countrymen hold for your brave and beautiful land.

We are bound together by the most powerful of all ties, our fervent love for freedom and independence, which knows no homeland but the human heart. It is a sentiment as enduring as the granite rock on which this city stands and as moving as the music of Sibelius.

Our visit here, though short, has brought us a deeper appreciation of the pride, industry, and friendliness which Americans always associate with the Finnish nation.

The nations assembled here have kept the general peace in Europe for 30 years. Yet there have been too many narrow escapes from major conflict. There remains, to this day, the urgent issue of how to construct a just and lasting peace for all peoples.

I have not come across the Atlantic to say what all of us already know—that nations now have the capacity to destroy civilization, and, therefore, all our foreign policies must have as their one supreme objective the prevention of a thermonuclear war. Nor have I come to dwell upon the hard realities of continuing ideological differences, political rivalries, and military competition that persist among us.

I have come to Helsinki as a spokesman for a nation whose vision has always been forward, whose people have always demanded that the future be brighter than the past, and whose united will and purpose at this hour is to work diligently to promote peace and progress not only for ourselves but for all mankind.

I am simply here to say to my colleagues: We owe it to our children, to the children of all continents, not to miss any opportunity, not to mangle for one minute, not to spare ourselves or allow others to shirk in the monumental task of building a better and a safer world.

The American people, like the people of Europe, know well that mere assertions of good will, passing changes in the political mood of governments, laudable declarations of principles are not enough. But if we proceed with care, with commitment to real progress, there is now an opportunity to turn our people's hopes into realities.

In recent years, nations represented here have sought to ease potential conflicts. But much more remains to be done before we prematurely congratulate ourselves.

Military competition must be controlled. Political competition must be restrained. Crises must not be manipulated or exploited for unilateral advantages that could lead us again to the brink of war. The process of negotiation must be sustained, not at a snail's pace, but with demonstrated enthusiasm and visible progress.

Nowhere are the challenges and the opportunities greater and more evident than in Europe. That is why this Conference brings us all together. Conflict in Europe shakes the world. Twice in this century we have paid dearly for this lesson; at other times, we have come perilously close to calamity. We dare not forget the tragedy and the terror of those times.

Peace is not a piece of paper.

But lasting peace is at least possible today because we have learned from the experiences of the last 30 years that peace is a process requiring mutual restraint and practical arrangements.

This Conference is a part of that process—a challenge, not a conclusion. We face unresolved problems of military security in Europe; we face them with very real differences in values and in aims. But if we deal with them with careful preparation, if we focus on concrete issues, if we maintain forward movement, we have the right to expect real progress.

The era of confrontation that has divided Europe since the end of the Second World War may now be ending. There is a new perception and a shared perception of a change for the better, away from confrontation and toward new possibilities for secure and mutually beneficial cooperation. That is what we all have been saying here. I welcome and I share these hopes for the future.

The postwar policy of the United States has been consistently directed toward the rebuilding of Europe and the rebirth of Europe's historic identity. The nations of the West have worked together for peace and progress throughout Europe. From the very start, we have taken the initiative by stating clear goals and areas for negotiation.

We have sought a structure of European relations, tempering rivalry with restraint, power with moderation, building upon the traditional bonds that link us with old friends and reaching out to forge new ties with former and potential adversaries.

In recent years, there have been some substantial achievements.

We see the Four-Power Agreement on Berlin of 1971 as the end of a perennial crisis that on at least three occasions brought the world to the brink of doom.

The agreements between the Federal Republic of Germany and the states of Eastern Europe and the related intra-German accords enable Central Europe and the world to breathe easier.

The start of East-West talks on mutual and balanced force reductions demonstrate a determination to deal with military security problems of the continent.

The 1972 treaty between the United States and the Soviet Union to limit anti-ballistic missiles and the interim agreement limiting strategic offensive arms were the first solid breakthroughs in what must be a continuing, long-term process of limiting strategic nuclear arsenals.

I profoundly hope that this Conference will spur further practical and concrete results. It affords a welcome opportunity to widen the circle of those countries involved in easing tensions between East and West.

Participation in the work of détente and participation in the benefits of détente must be everybody's business—in Europe and elsewhere. But détente can succeed only if everybody understands what détente actually is.

First, détente is an evolutionary process, not a static condition. Many formidable challenges yet remain.

Second, the success of détente, of the process of détente, depends on new behavior patterns that give life to all our solemn declarations. The goals we are stating today are the yardstick by which our performance will be measured.

The people of all Europe, and, I assure you, the people of North America are thoroughly tired of having their hopes raised and then shattered by empty words and unfulfilled pledges. We had better say what we mean and mean what we say, or we will have the anger of our citizens to answer.

While we must not expect miracles, we can and we do expect steady progress that comes in steps—steps that are related to each other that link our actions with words in various areas of our relations.

Finally, there must be an acceptance of mutual obligation. Détente, as I have often said, must be a two-way street. Tensions cannot be eased by one side alone. Both sides must want détente and work to achieve it. Both sides must benefit from it.

Mr. Chairman, my colleagues, this extraordinary gathering in Helsinki proves that all our peoples share a concern for Europe's future and for a better and more peaceful world. But what else does it prove? How shall we assess the results?

Our delegations have worked long and hard to produce documents which restate noble and praiseworthy political principles. They spell out guidelines for national behavior and international cooperation.

But every signatory should know that if these are to be more than the latest chapter in a long and sorry volume of unfulfilled declarations, every party must be dedicated to making them come true.

These documents which we will sign represent another step—how long or short a step only time will tell—in the process of détente and reconciliation in Europe. Our peoples will be watching and measuring our progress. They will ask how these noble sentiments are being translated into actions that bring about a more secure and just order in the daily lives of each of our nations and its citizens.

The documents produced here represent compromises, like all international negotiations, but these principles we have agreed upon are more than the lowest common denominator of governmental positions:

- They affirm the most fundamental human rights: liberty of thought, conscience, and faith; the exercise of civil and political rights; the rights of minorities.
- They call for a freer flow of information, ideas, and people; greater scope for the press, cultural and educational exchange, family reunification, the right to travel and to marriage between nationals of different states; and for the protection of the priceless heritage of our diverse cultures.
- They offer wide areas for greater cooperation: trade, industrial production, science and technology, the environment, transportation, health, space, and the oceans.
- They reaffirm the basic principles of relations between states: non-intervention, sovereign equality, self-determination, territorial integrity, inviolability of frontiers, and the possibility of change by peaceful means.

The United States gladly subscribes to this document because we subscribe to every one of these principles.

Almost 200 years ago, the United States of America was born as a free and independent nation. The descendants of Europeans who proclaimed their independence in America expressed in that declaration "a decent respect for the opinions of mankind" and asserted not only that all men are created equal but they are endowed with inalienable rights to life, liberty, and the pursuit of happiness.

The founders of my country did not merely say that all Americans should have these rights, but all men everywhere should have these rights. And these principles have guided the United States of America throughout its two centuries of nationhood. They have given hopes to millions in Europe and on every continent.

I have been asked why I am here today.

I am here because I believe, and my countrymen believe, in the interdependence of Europe and North America—indeed in the interdependence of the entire family of man.

I am here because the leaders of 34 other governments are here—the states of Europe and of our good neighbor, Canada, with whom we share an open border of 5,526 miles, along which there stands not a single armed soldier and across which our two peoples have moved in friendship and mutual respect for 160 years.

I can say without fear of contradiction that there is not a single people represented here whose blood does not flow in the veins of Americans and whose culture and traditions have not enriched the heritage which we Americans prize so highly.

When two centuries ago the United States of America issued a declaration of high principles, the cynics and doubters of that day jeered and scoffed. Yet, 11 long years later our independence was won and the stability of our Republic was really achieved through the incorporation of the same principles in our Constitution.

But those principles, though they are still being perfected, remain the guiding lights of an American policy. And the American people are

still dedicated, as they were then, to a decent respect for the opinions of mankind and to life, liberty, and the pursuit of happiness for all peoples everywhere.

*To our fellow participants in this Conference:* My presence here symbolizes my country's vital interest in Europe's future. Our future is bound with yours. Our economic well-being, as well as our security, is linked increasingly with yours. The distance of geography is bridged by our common heritage and our common destiny. The United States, therefore, intends to participate fully in the affairs of Europe and in turning the results of this Conference into a living reality.

*To America's Allies:* We in the West vigorously pursue the course upon which we have embarked together, reinforced by one another's strength and mutual confidence. Stability in Europe requires equilibrium in Europe. Therefore, I assure you that my country will continue to be a concerned and reliable partner. Our partnership is far more than a matter of formal agreements. It is a reflection of beliefs, traditions, and ties that are of deep significance to the American people. We are proud that these values are expressed in this document.

*To the countries of the East:* The United States considers that the principles on which this Conference has agreed are a part of the great heritage of European civilization, which we all hold in trust for all mankind. To my country, they are not clichés or empty phrases. We take this work and these words very seriously. We will spare no effort to ease tensions and to solve problems between us. But it is important that you recognize the deep devotion of the American people and their Government to human rights and fundamental freedoms and thus to the pledges that this Conference has made regarding the freer movement of people, ideas, information.

In building a political relationship between East and West, we face many challenges.

Berlin has a special significance. It has been a flashpoint of confrontation in the past; it can provide an example of peaceful settlement in the future. The United States regards it as a test of détente and of the principles of this Conference. We welcome the fact that, subject to Four-Power rights and responsibilities, the results of CSCE apply to Berlin as they do throughout Europe.

Military stability in Europe has kept the peace. While maintaining that stability, it is now time to reduce substantially the high levels of military forces on both sides. Negotiations now underway in Vienna on mutual and balanced force reductions so far have not produced the results for which I had hoped. The United States stands ready to demonstrate flexibility in moving these negotiations forward, if others will do the same. An agreement that enhances mutual security is feasible—and essential.

The United States also intends to pursue vigorously a further agreement on strategic arms limitations with the Soviet Union. This remains a priority of American policy. General Secretary Brezhnev and I agreed last November in Vladivostok on the essentials of a new accord limiting strategic offensive weapons for the next 10 years. We are moving forward in our bilateral discussions here in Helsinki.

The world faces an unprecedented danger in the spread of nuclear weapons technology. The nations of Europe share a great responsibility for an international solution to this problem. The benefits of peaceful nuclear energy are becoming more and more important. We must find ways to spread these benefits while safeguarding the world against the menace of weapons proliferation.

*To the other nations of Europe represented at this Conference:* We value the work you have done here to help bring all of Europe together. Your right to live in peace and independence is one of the major goals of our effort. Your continuing contribution will be indispensable.

*To those nations not participating and to all the peoples of the world:* The solemn obligation undertaken in these documents to promote fundamental rights, economic and social progress, and well-being, applies ultimately to all peoples.

Can we truly speak of peace and security without addressing the spread of nuclear weapons in the world or the creation of more sophisticated forms of warfare?

Can peace be divisible between areas of tranquillity and regions of conflict?

Can Europe truly flourish if we do not all address ourselves to the evil of hunger in countries less fortunate than we?

—To the new dimensions of economic and energy issues that underline our own progress?

—To the dialog between producers and consumers, between exporters and importers, between industrial countries and less developed ones?

—And can there be stability and progress in the absence of justice and fundamental freedoms?

Our people want a better future. Their expectations have been raised by the very real steps that have already been taken—in arms control, political negotiations, and expansion of contacts and economic relations. Our presence here offers them further hope. We must not let them down.

If the Soviet Union and the United States can reach agreement so that our astronauts can fit together the most intricate scientific equipment, work together and shake hands 137 miles out in space, we as statesmen have an obligation to do as well on Earth.

History will judge this Conference not by what we say here today, but by what we do tomorrow—not by the promises we make, but by the promises we keep.

Thank you very much, Mr. Chairman.

NOTE: The President spoke at 10:03 a.m. after being introduced by Walter Kieber, Foreign Minister of Liechtenstein and chairman of the plenary session of the Conference on the morning of August 1.

The Final Act of the Conference on Security and Cooperation in Europe was signed at a ceremony in Finlandia Hall at 5 p.m. on Friday, August 1, 1975. The document was signed by the representatives of the 35 nations which participated in the Conference.

The Final Act will be printed in the Bulletin of the Department of State. Single copies of the Act are available from the Office of Media Services, Bureau of Public Affairs, Department of State.



our economic recovery nor raise prices during 1975. It will not allow unfair gains or produce undue hardships.

After Congress rejected the 30-month decontrol plan I submitted last week, I was faced with two choices: to either veto the proposed extension of price controls scheduled to expire August 31 or seek a compromise with the Congress.

I strongly urge the Congress to accept this program and simultaneously enact a simple 3-month extension of the law.

To achieve energy independence, the Congress and the President must work together on this and other parts of my comprehensive energy program. I strongly urge the Congress to accept this compromise so that we can get on with the solution of this most pressing problem.

Thank you very much.

NOTE: The President spoke at 10:18 a.m. in the Briefing Room at the White House.

## Meeting With Americans of Eastern European Background

*Statement by the President Concerning His Plans To Attend the Conference on Security and Cooperation in Europe. July 25, 1975*

I am glad to have this opportunity, before taking off for Europe tomorrow, to discuss with you frankly how I feel about the forthcoming European Security Conference in Helsinki.

I know there are some honest doubts and disagreements among good Americans about this meeting with the leaders of Eastern and Western European countries and Canada—35 nations altogether.

There are those who fear the Conference will put a seal of approval on the political division of Europe that has existed since the Soviet Union incorporated the Baltic nations and set new boundaries elsewhere in Europe by military action in World War II. These critics contend that participation by the United States in the Helsinki understandings amounts to tacit recognition of a status quo which favors the Soviet Union and perpetuates its control over countries allied with it.

On the other extreme, there are critics who say the meeting is a meaningless exercise because the Helsinki declarations are merely statements of principles and good intentions which are neither legally binding nor enforceable and cannot be depended upon. They express concern, however, that the result will be to make the free governments of Western Europe and North America less wary and lead to a letting down of NATO's political guard and military defenses.

If I seriously shared these reservations, I would not be going, but I certainly understand the historical reasons for them and, especially, the anxiety of Americans whose ancestral homelands, families, and friends have been and still are profoundly affected by East-West political developments in Europe.

I would emphasize that the document I will sign is neither a treaty nor is it legally binding on any participating State. The Helsinki documents involve political and moral commitments aimed at lessening tensions and opening further the lines of communication between the peoples of East and West.

It is the policy of the United States, and it has been my policy ever since I entered public life, to support the aspirations for freedom and national independence of the peoples of Eastern Europe—with whom we have close ties of culture and blood—by every proper and peaceful means. I believe the outcome of this European Security Conference will be a step—how long a step remains to be tested—in that direction. I hope my visits to Poland, Romania, and Yugoslavia will again demonstrate our continuing friendship and interest in the welfare and progress of the fine people of Eastern Europe.

To keep the Helsinki Conference in perspective, we must remember that it is not simply another summit between the super powers. On the contrary, it is primarily a political dialog among the Europeans—East, West, and neutral—with primary emphasis on European relationships rather than global differences. The United States has taken part, along with Canada, to maintain the solidarity of the Atlantic Alliance and because our absence would have caused a serious imbalance for the West.

We have acted in concert with our free and democratic partners to preserve our interests in Berlin and Germany and have obtained the public commitment of the Warsaw Pact governments to the possibility of peaceful adjustment of frontiers—a major concession which runs quite contrary to the allegation that present borders are being permanently frozen.

The Warsaw Pact nations met important Western preconditions—the Berlin Agreement of 1971, the force reduction talks now underway in Vienna—before our agreement to go to Helsinki.

Specifically addressing the understandable concern about the effect of the Helsinki declarations on the Baltic nations, I can assure you as one who has long been interested in this question that the United States has never recognized the Soviet incorporation of Lithuania, Latvia, and Estonia and is not doing so now. Our official policy of nonrecognition is not affected by the results of the European Security Conference.

There is included in the declaration of principles on territorial integrity the provision that no occupation or acquisition of territory in violation of international law will be recognized as legal. This is not to raise the hope that

there will be any immediate change in the map of Europe, but the United States has not abandoned and will not compromise this longstanding principle.

The question has been asked: What have we given up in these negotiations and what have we obtained in return from the other side? I have studied the negotiations and declarations carefully and will discuss them even more intensely with other leaders in Helsinki. In my judgment, the United States and the open countries of the West already practice what the Helsinki accords preach and have no intention of doing what they prohibit—such as using force or restricting freedoms. We are not committing ourselves to anything beyond what we are already committed to by our own moral and legal standards and by more formal treaty agreements such as the United Nations Charter and Declaration of Human Rights.

We are getting a public commitment by the leaders of the more closed and controlled countries to a greater measure of freedom and movement for individuals, information, and ideas than has existed there in the past, and establishing a yardstick by which the world can measure how well they live up to these stated intentions. It is a step in the direction of a greater degree of European community, of expanding East-West contacts, of more normal and healthier relations in an area where we have the closest historic ties. Surely this is the best interest of the United States and of peace in the world.

I think we are all agreed that our world cannot be changed for the better by war, that in the thermonuclear age our primary task is to reduce the danger of unprecedented destruction. This we are doing through continuing strategic arms limitations talks with the Soviet Union and the talks on mutual and balanced force reductions in Europe. This European Security Conference in Helsinki, while it contains some military understandings such as advance notice of maneuvers, should not be confused with either the SALT or MBFR negotiations. The Helsinki summit is linked with our overall policy of working to reduce East-West tensions and pursuing peace, but it is a much more general and modest undertaking.

Its success or failure depends not alone on the United States and the Soviet Union but primarily upon its 33 European signatories—East, West, and neutral. The fact that each of them, large and small, can have their voices heard is itself a good sign. The fact that these very different governments can agree, even on paper, to such principles as greater human contacts and exchanges, improved conditions for journalists, reunification of families and international marriages, a freer flow of information and publications, and increased tourism and travel, seems to me a development well worthy of positive and public encouragement by the United States. If it all fails, Europe will be no worse off than it is now. If even a part of it succeeds, the lot of the people in Eastern Europe will be that much better and the cause of freedom will advance at least that far.

I saw an editorial the other day entitled: "Jerry, Don't Go."

But I would rather read that than headlines all over Europe saying: "United States Boycotts Peace Hopes." So I am going, and I hope your support goes with me.

NOTE: The President met on July 25 with seven Members of Congress and representatives of Eastern European ethnic groups in the Cabinet Room at the White House.

## Secretary of the Interior

*Exchange of Letters Between the President and Stanley K. Hathaway Upon Mr. Hathaway's Resignation. July 25, 1975*

Dear Stan:

I have your letter, and it is with my deepest regrets that I accept your resignation as Secretary of Interior, effective upon the appointment and qualification of your successor. In so doing, I want you to know that I fully understand and sympathize with the health considerations which have prompted your decision.

Needless to say, I would have much preferred that you felt able to continue fulfilling your challenging and strenuous responsibilities at Interior. I am confident that the exceptional skill and genuine concern for the well-being of our fellow citizens which have always marked your public career would have served the Nation well in that capacity.

As you return to private life, I want to express my appreciation for your outstanding work on behalf of the Nation and our Party and for your friendship and support and many personal kindnesses. Betty joins me in extending to Bobbie and you our warmest good wishes for your health and every future happiness.

With warmest personal regards,

JERRY FORD

[The Honorable Stanley K. Hathaway, Secretary of Interior, Washington, D.C.]

Dear Mr. President:

It is with deepest regret that, for reasons of personal health, I must ask you to accept my resignation.

To have been selected to become your Secretary of the Interior has been a singular honor, and I am deeply grateful for the trust and confidence you placed in me. Your Administration has achieved great progress in restoring the Nation's morale and sense of purpose, and I know we will continue to prosper under your leadership.

I extend to you and your family my heartfelt wishes for success in the future.

Sincerely,

STANLEY K. HATHAWAY

[The President, The White House, Washington, D.C. 20500]

J. M.

THE WHITE HOUSE  
WASHINGTON

February 19, 1976

TO AMERICANS OF ESTONIAN ANCESTRY:

I am delighted to accept the high honor of Honorary Patron of ESTO '76 -- The Estonian Salute to America's Bicentennial.

As we celebrate the birth of freedom in America, your Estonian Festival calls attention to the remarkable contributions of millions of talented and hard-working immigrants from all over the world to building America into the great nation we know today.

In recalling the fortitude of our founding fathers, we must also rededicate ourselves to making America the same stronghold for men and women of individual spirit and energy it was in 1776 -- the cradle of liberty.

I am keenly aware of your great anxiety concerning your homeland, families and friends who have been and are still profoundly affected by East - West political developments in Europe. Last summer, just before departing for Helsinki, and before that in February of 1975, I met with your leaders to discuss these concerns and to emphasize that the accord I would sign in Helsinki was neither a treaty nor a legally binding document.

*Pres. Doc.  
7/25/75  
P. 780  
Vol. II-#36*

Pres. Dec.  
Vol. 11 - No. 30  
P. 780  
7/25/75

The Helsinki agreements, I pointed out, were political and moral commitments aimed at lessening tensions and opening further the lines of communication between the peoples of East and West.

Pres. Dec.  
Vol. 11 - No. 30  
P. 780 - 7/25/75  
(not quote - attributed)

I further stated that your understandable concern about the effect of the Helsinki declarations on the Baltic nations was groundless.

I can assure you that the United States has never recognized the Soviet incorporation of Estonia, Latvia and Lithuania and is not doing so now. Our official policy of nonrecognition is not affected by the results of the European Security Conference.

It is the policy of the United States -- and it has been my policy ever since I entered public life -- to support the aspirations for freedom and national independence of the peoples of Eastern Europe by every proper and peaceful means.

Pres. Dec.  
P. 780 - No. 30  
Vol. 11 - No. 30  
7/25/75

Finally, I indicated that there is included in the Declaration of Principles on Territorial Integrity the provision that no occupation or acquisition of territory in violation of international law will be recognized as legal.

In our White House meeting, I said this is not to raise the hope that there will be any immediate change in the map of Europe, but rather to emphasize that the United States has not abandoned and will not compromise this long-standing principle.

At the conference itself, I told the participants from the countries of the East that:

"We will spare no effort to ease tensions and to solve problems between us, but it is important that you recognize the deep devotion of the American people and their government to human rights and fundamental freedoms."

Pres. Dec.  
Vol. 11 - No. 32  
P. 813  
8/11/75

*Get  
delete  
add words  
& effect - peace  
through  
strength.*

I assure each of you that this nation will be vigilant *to this end* regarding detente. This nation will strive to maintain a safer and saner relationship with our competitors. At the same time, the relaxation of tensions can be implemented only on the basis of mutual concessions within the context of an American defense that is second to none. We will safeguard and advance our vital interests and security, *through a policy of peace through strength.*

As we commemorate the 200th anniversary of our revolution, more and more Americans are mindful of their bi-national heritage. In this regard, I was especially pleased to learn that your community is preparing for a worldwide Estonian Festival in conjunction with our Bicentennial.

Your contributions to this nation are recognized and appreciated. I know you will continue to enrich our country's heritage with your art, your architecture, your music and the individual contributions of your many talented individuals.

I commend you for your continued contributions to our national legacy, to our durable system of representative government. Today, I salute you for your struggle on behalf of all human freedom.

*Gerald R. Ford*



FOREIGN RELATIONS-- Overview --

In his August 1974 speech before a joint session of Congress, President Ford expressed his belief that a successful foreign policy has to rest on a strong national defense, one able to command respect from adversaries and to provide leadership to friends:

"A strong defense is the surest way to peace. Strength makes detente attainable. Weakness invites war..."

Since taking office, President Ford has continued to add to the record of leadership in foreign affairs and in maintaining a strong national defense that he built in his 25 years in the Congress. As President, he has pursued a realistic foreign policy, reaching to all areas of the globe in his efforts to strengthen allies and to minimize the danger of needless confrontation between ourselves and such countries as the Soviet Union.

"...Detente literally means 'easing' or 'relaxing' but definitely not -- and I emphasize not -- the relaxing of diligence or easing of effort. Rather, it means movement away from the constant crisis and dangerous confrontations that have characterized relations with the Soviet Union...It represents our best efforts to cool the cold war, which on occasion became much too hot for comfort...To me, detente means a fervent desire for peace -- but not peace at any price. It means the preservation of fundamental American principles, not their sacrifice. It means maintaining the strength to command respect from our adversaries and provide leadership to our friends -- not letting down our guard or dismantling our defenses or neglecting our allies. It means peaceful rivalry between political and economic systems -- not the curbing of our competitive efforts."

And in strengthening the basis of cooperation with the Soviet Union, President Ford, in the short time he has been in office, has been able to:

- \* Bring our two countries towards the completion of a reliable strategic arms limitation agreement, according to the principles of strict equality that were agreed on in a breakthrough at Vladivostok in November 1974 -- an agreement that will ultimately limit the strategic arms buildups of both sides for a 10-year period; and to
- \* Achieve a long-term grain agreement with the Soviet Union, that is good for American farmers, that will minimize the impact on food prices for American consumers, benefiting U.S.-Soviet relations on a two-way basis.

In the Middle East, President Ford has seized an historic opportunity to help the area move towards a secure, just and comprehensive peace settlement. During the Spring of 1975, the President held an extensive series of meetings with important leaders in the area, including Egyptian President Sadat, Israeli Prime Minister Rabin, Jordan's King Hussein, Syrian Deputy Prime Minister Khaddam and others. Shortly thereafter, in early September, a second, interim agreement was reached between Israel and Egypt. This agreement reaffirmed and strengthened the ceasefire, widened the buffer zone, and committed both sides to settle the Middle East conflict by peaceful means, refraining from use of force. For the first time in years, the Suez Canal was opened to Israel for non-military shipping.

In carrying out his wide-ranging and comprehensive foreign policy, the President has, in other areas:

- \* Brought our alliance relations to their greatest health and solidarity in decades. We now coordinate closely in economic areas, as at the Rambouillet Summit, and on energy matters, as in the International Energy Agency. The President has led the NATO Alliance in the development of positions for the Mutual and Balanced Force Reduction Talks with the Soviet Union and the Warsaw Pact Allies, and he has worked for the standardization and more efficient use of defense resources within the Alliance;

- \* Underscored our commitments to our Asian allies, Australia, Korea, New Zealand, Indonesia, and, in the first visit of an American President to that country, to Japan; and
- \* Continued to seek better understanding and cooperation with the world's most populous nation. In a visit to the People's Republic of China in December 1975, President Ford had significant, useful, and constructive discussions with China's leaders and reaffirmed the durability of this historic new relationship.

President Ford fully recognizes the responsibility that accompanies American economic power. He has committed his Administration to policies which will bring about an improved international economy and stable growth serving the interests of America and the world. Stable economic growth is critical to solving the problems of the developing world and President Ford has taken concrete steps to ensure that our country plays a constructive leadership role in meeting these challenges:

- \* At the UN Special Assembly, the U.S. set forth comprehensive proposals in food, trade and raw materials.
- \* The Paris Conference on International Economic Cooperation brought together the industrial, developing and oil producing nations to strengthen economic and energy arrangements for the mutual benefit of all.
- \* At the World Food Conference in Rome, the United States pledged to meet 60 percent of the world food aid target to ensure the basic needs of the poorest nations.

The pursuit of peace requires decisive action. When the Cambodians illegally seized the U.S.S. Mayaguez, President Ford ordered, and personally directed, the recovery of the ship and its crew by U.S. Marines. The right of innocent passage on the open sea was upheld by President Ford's assured, firm response to the situation.



President Ford's pursuit of peace has been based on a realistic understanding of world affairs and a commitment to a strong national defense. The President has pledged to maintain a national defense second to none, and to modernize and upgrade our capabilities. He has

- \* Proposed a real increase of \$7.4 billion for the fiscal year 1977 defense budget.
- \* Continued development of the modern B-1 inter-continental bomber and the Trident strategic submarine;
- \* Streamlined our conventional combat strength by shifting personnel to combat functions; and
- \* Continued the technical modernization of our land forces, new ship construction, and modernization for our Naval forces.

Without question, President Ford has built a solid record of achievement in foreign affairs:

- \* Our volunteer military forces are strong and ready.
- \* Our principal diplomatic and military alliances are solid,
- \* America has launched a serious dialogue between the industrial and non-industrial world,
- \* A lasting Middle East peace agreement is possible,
- \* Sino-American relations are improving,
- \* And most importantly, America is at peace.

CUBA

"The action by the Cuban government in sending combat forces to Angola destroys any opportunity for improvement in relations with the United States. They (Cuba) have made a choice which... has precluded any improvement in relations with Cuba."

Over the last several years, the United States has been exploring the possibility of improving our relations with Cuba, in accordance with the changing policy of the Organization of American States in lifting its trade ban against Cuba. But Cuban intervention in Angola has, in the President's own words "ruled out" any possibility of improvements or of working with them. President Ford reaffirmed his view in a recent visit to Orlando, Florida:

"Let me say categorically and emphatically, the United States will have nothing to do with Castro's Cuba."

MIDDLE EAST

President Ford believes that peace in the Middle East is a matter not only of preference, but of vital national interest -- because of our historical friendship with the 150 million people of the Arab world and our moral commitment to the survival and security of Israel -- and also because the economic repercussions of an upheaval in the Middle East could disrupt the world's economic recovery, undermining living standards in all of the industrial nations and the hopes of the developing world. In addition, perpetual conflict in the Middle East could strain our ties with our most important allies in Europe and Japan and increase the danger of direct U.S. - Soviet involvement with its risk of nuclear confrontation.

Because President Ford believes that this nation can make a decisive contribution to world peace, he has:

- \* Consulted with Prime Minister Rabin of Israel, President Sadat of Egypt, King Hussein of Jordan, and Syrian Deputy Prime Minister Khaddam, to bring about the September Sinai agreement between Egypt and Israel, and made advances in the cause of peace that are unprecedented in 30 years of hostilities.
- \* Directed the Secretary of State to intensify the effort to bring a just, lasting and comprehensive settlement to the Arab-Israeli conflict and to undertake a series of missions to the Middle East to pursue a second-stage agreement in the Sinai, working towards an overall peace settlement.
- \* Initiated a strong effort to bring about new and more durable economic arrangements with countries of the Middle East, to serve the interests of both producers and consumers of oil.

THE PANAMA CANAL

Every President since Franklin Roosevelt has recognized a need to modernize our relationship with Panama concerning the Canal. President Ford believes that modernization is possible, and his Administration is discussing with Panama the possibility of arriving at such a treaty relationship. The goal of these negotiations is to reach an agreement which will accomodate the needs of both the United States and Panama, while protecting our basic interests in defense and operation of the Canal. The President will not propose to the Congress any agreement with Panama that will not protect our vital national interests.

"We will absolutely insist that our interests and the defense of the Canal and of the use of the Canal be maintained. That is why the negotiations have been going on so long under five Presidents and why there is no settlement of the issues right now..."

President Gerald R. Ford  
February 18, 1976

FOR IMMEDIATE RELEASE

MARCH 5, 1976

OFFICE OF THE WHITE HOUSE PRESS SECRETARY  
(Peoria, Illinois)

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THE WHITE HOUSE  
REMARKS OF THE PRESIDENT  
AND  
QUESTION AND ANSWER SESSION  
AT THE  
EVERETT MCKINLEY DIRKSEN FORUM  
BRADLEY UNIVERSITY

8:20 P.M. CST

THE PRESIDENT: Thank you very, very much Dr. Abegg, Congressman Bob Michel, Congressman Tom Railsback, Congressman Ed Madigan, my outstanding Secretary of Agriculture, Earl Butz, Mayor Carver, friends of the Everett McKinley Dirksen chair, students, faculty and guests of Bradley University:

At the outset, let me say I don't think we would have scheduled this tonight if I had known that Chet Walker was being honored last night. I probably would have been here last night if I could have because I am a great fan of his, and I am a great fan of all that Bradley University stands for in the field of basketball, as well as academic standing, and I congratulate you, and I am darn glad and lucky to be the recipient of the Everett McKinley Dirksen honorary chair here tonight. I thank you very, very much.

Bob Michel was much too generous and far too kind, but it is nice to hear in 1976 -- and I thank Bob for not only his kind words but his long friendship, and I could reciprocate in kind for the outstanding job that he does for all of you in the Congress of the United States.

Obviously, it is a great pleasure and privilege and a very high honor for me to be here tonight, not only in Bradley but in the City of Peoria, and I thank Mayor Carver for his warm and very kind reception at the airport.

I have been here, yes, back in 1949, but I have been here subsequent to that, and I am impressed with your people, your administration, and the objectives and the kind of morale that you have here in Peoria. You set a high standard for other communities around the country.

MORE

The trustees of this university have been very kind and honored me in a very personal way with an honorary appointment to the Everett McKinley Dirksen chair of Government and public affairs, and I am deeply honored because Everett Dirksen was one of the finest public servants I have ever known, and history will record him as one of the most gifted and beloved men ever to serve in the Congress of the United States.

Ev and I became especially close during the years when he served as the Republican leader in the United States Senate, and I was his counterpart in the House of Representatives. Ev Dirksen was more than a statesman, more than a master of legislative process, more than a never-to-be-forgotten speaker.

I knew him as a good friend, a wise counsellor and an inspiring teacher. He taught us one of his most unforgettable lessons on the memorable day in 1963 when the Senate was debating ratification of the nuclear test ban treaty.

Speaking in support of that treaty, Senator Dirksen said, and I quote, "Under the circumstances, with bigger and more destructive weapons being built all the time, with armament, burdens upon every country in the world, unless we take a step in the whole domain of faith, what will be left except gloom and defeatism against the day when some careless person will pull the trigger?"

Everett Dirksen knew that somehow the peace of the world must be made more secure, that if men had made the world more dangerous, men could also make it safe and had an obligation to make that effort. Twice in this century the whole world has gone to war. Twice the United States has joined the global struggle, believing with Woodrow Wilson that "the right is more precious than peace" and agreeing with Franklin Delano Roosevelt that "we are willing to fight to maintain freedom."

Twice more we have honored our commitments to individual nations where peace was broken by acts of naked aggression and by armies bent on destruction, terror and conquest. America has seen too much of war in the 20th century, too much of suffering and dying on blood-stained fields of battle.

We cherished the peace that America enjoys, the peace that finds no Americans in combat anywhere in the world tonight.

MORE

Yet, we know that the freedoms we have defended so often are being challenged today. We know that our strength, our power, our constant vigilance and our resolve are the foundation of mankind's hope for peace and stability in the world.

If we should ever relinquish that role, if our contribution to peace should be diminished by our own weakness, the consequences could be severe and tragic for the whole world.

For this reason, the United States must pursue a policy of peace through strength. That is the policy which my Administration will always pursue.

In the last 19 months, I have taken affirmative action to insure that America's alliances are strong, our commitments are worthwhile and our defenses are without equal in the world.

In my Presidency, I have proposed the two largest peacetime defense budgets in American history as the best assurance of deterring aggression and maintaining our own national security. There are some very sincere, very thoughtful, and very patriotic Americans who believe these defense proposals take too much of our financial resources.

Take them away from domestic programs supported by the Federal Government and I respect that view. But, we must remember that the foundation for all of these domestic programs, the basic premise upon which they all depend is that the United States will continue as a free, independent and secure nation. That must be our highest priority, and in this Administration it is.

Beyond securing our own independence, America's defensive strength by the very fact of its existence enables us to deter aggression in many parts of the world, and that strength makes it possible for us to negotiate for peaceful progress from a position that commands respect and invites cooperation.

Because both sides of the Middle East conflict respect our strength, our word and our commitment to a just and lasting peace we have won the role of a peace-maker in that very strategic and very volatile part of the world.

Our aim is to make peace secure throughout the world. We are conducting our foreign policy with our eyes open, our guard up and our powder dry. We know that peace and national security cannot be pursued on a one-way street, but we also know that returning to a collision course in a thermal nuclear age can leave the human race in ashes.

MORE

I will not lead the American people down the road to needless danger and senseless destruction. I will lead them on the path of peace through strength, and we will live in peace and freedom in the United States of America.

It is our duty and our great opportunity to make the most of the peace and freedom we enjoy in America today. Let us show ourselves worthy of the price we have paid for them in blood, in sacrifice and in treasure.

Let us take more seriously and more personally our precious right of free political expression in this election year. Let us set ambitious goals for the future of our country and work hard and work together to achieve those goals.

Let us strive to secure the blessings of liberty for ourselves and our posterity and stand tall and strong and free among the nations of the world.

Let us make certain that the cause of freedom has no better friend, no stronger ally than the United States of America, and let us resolve, as the greatest son of Illinois did a century ago, that "the Government of the people, by the people and for the people shall not perish from the earth."

I thank you, and now I will be delighted to answer any questions.

MORE



QUESTION: Mr. President, I am from Godfrey, Illinois, and a student from Bradley University.

Many economists today feel that the country's economic problems are caused, to a large degree, by cost inflationary pressures rather than the more traditional demand pull pressures. In this context, what are your plans, if any, to break up the monopolistic tendencies of big business and big labor and their price fixing abilities which tend to interfere with the efficient operation of the market.

THE PRESIDENT: About a year ago I appointed an outstanding person to be our Attorney General who was an expert in antitrust actions. Ed Levi of the University of Chicago served as an Assistant Attorney General in the Antitrust Division some 15 or 20 years ago. He is acknowledged as an expert in antitrust matters.

At his request I have added to the number of antitrust lawyers in the Attorney General's Office. I can assure you that under his leadership there will be active, affirmative action taken to operate under the laws of the United States in antitrust actions.

In addition, about a year ago I submitted to the Congress legislation that would add to the penalties in dollars, in criminal action, those who violate our antitrust laws. It seems to me that through this kind of action we can make certain, in the business world at least, that there will be a proper governmental role in making an environment where free enterprise can operate without a monopolistic development.

In the field of labor, I have been condemned and complimented for the fact that I vetoed the common situs picketing bill, which had some ramifications involved in this overall area. The strength of our free enterprise system depends upon competition. We can't have big business, big labor, or big Government, I might add, dominating our economy.

QUESTION: Thank you, Mr. President.

QUESTION: Mr. President, I am a student at Bradley University from Spring Valley, New York. In an announcement made two days ago the Air Force informed Bradley University that our Air Force Reserve Officers Training Corps training program will be closed down effective in the spring of 1977. For the past 27 years, through thick and thin, Bradley has supplied the Air Force with highly qualified personnel. The loss of this program will cause Bradley approximately a quarter of a million dollars annually.

MORE

In your opinion, Mr. President, is it possible for the Air Force to justify this action as a suitable reward for Bradley University's continuing support for over a quarter of a century?

THE PRESIDENT: Based on what you have told me, I am disgusted with the action of the United States Air Force. Quite frankly, it is incomprehensible and we will do our darndest to rectify the error and I will let Dr. Abegg know. I just don't understand it. It sounds ridiculous.

QUESTION: Thank you very much, Mr. President.

QUESTION: Good evening, Mr. President. I am from Ridgewood, New Jersey, and also a student here at Bradley University. Recently, Mayor Young of Detroit made statements expressing not only his city's fears but also those of Philadelphia, San Francisco and several other major cities concerning their somewhat suspect present financial stability and that of the future and also the ability to continue to provide for the necessary public services.

Has your Administration formulated a program to help prevent fiscal crises in other cities besides New York prior to that crisis, or if not, will the tactics or methods used in New York's fiscal crisis also be used in other cities?

THE PRESIDENT: Of course, my Administration has strongly supported the general revenue sharing program which gives to our States and to cities and to other local units of Government about \$6 billion a year which, in effect, is free for those cities to utilize as they see fit for whatever programs or policies that they determine at the local level.

That is a good program. I fully support it and, in addition, we have many other categorical grant programs that go to State or local units of Government. It seems to me, having been somewhat closely associated with the conflicts involved in the City of New York, that communities around the country have to learn that they have to manage their fiscal affairs in a responsible way.

We found that New York City, not for one year, but for a period of time, had not handled its finances very responsibly and the net result was they found that their expenditures, their receipts, were in bad shape, that their cash flow problem was disastrous. I don't think we can permit other cities to expect that the Federal Government is going to bail them all out, because we aren't. If we can't establish responsibility at the local level and at the State level and at the Federal levels, we could go down the same disastrous path that some other countries, friends of ours, have gone down for the last 20 years, and as far as I am concerned, we are not going to permit it, locally, statewide or nationally.

QUESTION: Thank you, Mr. President.

MORE

QUESTION: Mr. President, I am a senior at Bradley University. A recent national wire service reported you have gained a lead over your opponent, Governor Reagan, in the upcoming Florida primary. One of the voter comments listed by the wire service favorably mentioned your performance in office to date, but expressed disfavor with your handling of the pardon granted to former President Richard M. Nixon.

I would like to know whether you are prepared to state unequivocally that there was no deal made between Secretary of State Kissinger, Chief of State General Haig and yourself, or any member of your staff in regard to resignation and subsequent pardon of former President Nixon?

If no such deal was agreed upon, would you please be willing to discuss your response for the granting of the pardon to Mr. Nixon?

THE PRESIDENT: In the first place, there was no deal made in any way whatsoever. Categorically, no. Let me take you back, if I might, to the situation in July and August and September of 1974. This country had gone through a nightmare, a traumatic experience, unprecedented in our country, and I became President under the most extraordinary circumstance, not because I sought the office but because I had the opportunity to serve, and I found shortly after becoming President that if we were to go through a long series of events that would have been, I think, extremely disturbing to the situation in our country, the better procedure would be to make a decisive decision and get the matter off our back so that we could handle our problems domestically with the economy and our problems internationally.

It was a decision made by me alone. Nobody else had any responsibility, and I will take the full responsibility for the consequences, good or bad. But, we had to get on with the job of looking at our problems and solving them, both at home and abroad, and that had to be pushed aside so that all of us -- 215 million Americans -- could concentrate on the future and forget the past, as bad as it was.

QUESTION: Good evening, Mr. President. I am from North Belmont, New York, and a student at Bradley.

Mr. President, you have come under fire lately by former Governor Reagan, former Governor Carter and others, concerning the State Department's handling of detente. What is your justification for the measures, policies and positions taken by your Administration in regard to the Soviet Union and China, in particular U.S.-Soviet relations, past and future?

MORE

THE PRESIDENT: Let me say very specifically that we are going to forget the use of the word detente. I said that back in August of 1975, when I spoke to the American Legion in Minneapolis, Minnesota.

The word is inconsequential. What happens in the negotiations between the United States and the Soviet Union, what happens in the negotiations between the People's Republic of China and the United States -- those are the things that are of consequence.

Now, this Administration believes that we have an obligation not to go back to the cold war where confrontation in effect took place literally every day of the year. We have an obligation to try and meet every problem individually, specifically, every issue as it comes up in an effort to negotiate rather than to confront, whether it is with the Soviet Union or the People's Republic of China.

We can do this effectively if we have the strength militarily and otherwise to have a two-way street. Now, the United States, despite what some critics have said, has not under any circumstances gotten the short end of the deal. We are good Yankee traders, and we have done darn well by the United States.

Now, let's take the grain sales to the Soviet Union. I know some candidates for the Presidency have said that we ought to not make any sales, that we ought to buy all the grain from the farmers and store them in Government-owned warehouses, put that heavy lid over the price structure of our agriculture at a cost, as it was some ten years ago, of \$1 billion a day, about \$400 million a year.

That is what it costs to store grain when we were not selling it overseas. I just don't think we should make our farm export problem the pawn of the international politics. By strong, effective negotiations we came out with a good agricultural deal with the Soviet Union.

If we get a SALT II agreement that will keep a lid on strategic arms in the next seven to ten years, it will be to the benefit of the United States.

Let me ask this very simple question: Is it better to have a mutual limit of 2,400 launchers and 1,320 MIRV missiles -- isn't that better than having 4,000 or 5,000 launchers or 2,000 or 4,000 MIRV missiles?

MORE

Isn't that better for all of us? It really would be better if we could go below 2,400 and 1,320 as long as we had rough equivalents between the two super-powers.

If we had an open thermal nuclear arms race, that is not in the best interest of the United States on the world as a whole. We have an obligation to have rough equivalency that will deter aggression, either by us or by them, and permit us to do some things that are needed and necessary for the world as a whole, as well as for the United States.

Any of these people that challenge us in these kinds of day-to-day negotiations, issue by issue, problem by problem, have not been in the ball game. They have lots of rhetoric, but I don't think they understand the problems.

QUESTION: Thank you very much, Mr. President.

QUESTION: Mr. President, I am a student at Bradley.

Mr. President, would you please state the criteria used in the selection of Mr. Stevens as a Supreme Court Justice, and would you use the same criteria in the selection of future Supreme Court Justices?

THE PRESIDENT: I am very proud of the selection of Supreme Court Justice Stevens. We went through a very constructive process of soliciting names from a wide variety of individuals or organizations that wanted to maintain a very high quality on our Supreme Court.

We had a number of highly qualified individuals. The Department of Justice solicited views from the American Bar Association. They interviewed, as I recall, some ten individuals whose names had been submitted to me. They came up with three or four that seemed to fit the requirements of the day and after looking at the recommendations, the backgrounds and all of the other qualifications, I came to the conclusion that Justice Stevens would be an outstanding member of the United States Supreme Court.

I was delighted to see that a Democratic Congress, dominating the Senate by about or better than two to one, almost unanimously approved him. So, I think we went through a good process. It was proven that he had the qualifications to be an outstanding jurist, and that is what we want, and to the extent that I can do it in the future, that is exactly the process I will follow in the days ahead.

MORE

QUESTION: Good evening, Mr. President. I am from WWCT here in the great City of Peoria. I would like to ask you what significance Mr. Nixon's recent trip to China had and has it in any way undermined your recent journey there of several months ago?

THE PRESIDENT: Under no circumstances has that trip by Mr. Nixon as a private citizen, invited as a private citizen by the People's Republic, undermined my trip to China, my negotiations with Chairman Mao and the other Chinese officials.

Under no circumstances did it undercut, undermine or interfere with the relations of our Government with that Government.

MORE

QUESTION: Good evening, Mr. President. I am an economics major at the University. Do you believe that with the present state of the economy, that tighter investment spending with the reduction of taxes will boost the economy to pre-inflationary levels?

THE PRESIDENT: I am convinced that it is far better to give tax reductions to stimulate the economy, to increase employment and to decrease unemployment, than to put programs through the Congress where you increase Federal Government spending and where you provide temporary employment for individuals, whether it is at the State or local level. That. the policy of this Administration and that is one of the problems I have with the Congress. They want to go the other way. We are going to fight them. We are going to win because we are right.

QUESTION: Mr. President, I am a journalist major at the University. My question is, Mr. President, what effect do you feel the Watergate incident will have on the upcoming Presidential election? That is, do you feel many Americans will vote Democrat because of Watergate?

THE PRESIDENT: I have no authoritative way of making an accurate determination on that. I can only say that I, as a candidate, had absolutely nothing whatsoever to do with Watergate so it has no relationship to my background, my qualifications. I would hope that the performance of the last 19 months would indicate that I have an Administration that is open. It is frank, it does not promise more than it can produce, and it won't lie to the American people under any circumstances.

These are the fundamentals by which my Administration has tried to operate and everybody that works for me understands what those rules and regulations are. So we are different. We have no connection with Watergate and so I would hope that the American people would look at me and those that work with me in that light rather than remembering a sad and tragic past in American history.

QUESTION: Mr. President, I am a resident of Peoria and a part-time student at Bradley. I wonder if you would clarify your position on the subject of civil rights for gay people in America.

THE PRESIDENT: Civil rights for what?

QUESTION: For gay people with respect to hiring, employment and housing, and secondly, if you were elected President, how would you hope to eliminate some of the discrimination that gay people in America live under?

MORE

THE PRESIDENT: I recognize that this is a very new and serious problem in our society. I have always tried to be an understanding person as far as people are concerned who are different than myself. That does not mean that I agree with or would concur in what is done by them or their position in society. I think this is a problem we have to face up to and I can't give you a pat answer tonight. I just would be dishonest to say that there is a pat answer under these very difficult circumstances.

QUESTION: Mr. President, I am pastor of a church here in Peoria. From time to time we get reports, printed sometimes, to the effect that Mr. Kissinger and the State Department have already made promises and commitments regarding the Panama Canal to a Government which is something less than friendly to us, and, furthermore, it has been suggested that the constitutional clause which forbids any United States property to be sold without approval of the Congress, that that will be circumvented by retaining title to it but nevertheless technically not selling it, but in reality giving all the controls and direction and jurisdiction to the Panama Government which only the owner of the property should have.

I would like you, Mr. President, to comment on that if you would.

THE PRESIDENT: First, let me say that whatever is done, if it reaches that point, will be fully submitted to the United States Congress, both the House as well as the Senate. If property is sold -- and I am not saying it is -- or is transferred, it would have to be approved by both the House and the Senate and, of course, if it is a treaty, it would have to be approved by the Senate alone, so you can rest assured that whatever is done, if anything is done, will be submitted in its entirety and completely open and above board.

Now the situation is that since 1964 when they had a series of riots in the Panama area, the Canal Zone and the Government of Panama, some 30 people were killed in these riots, including a significant number of Americans. Those circumstances precipitated negotiations that have been carried on by three Presidents. Those negotiations are going on today between the Government of Panama and the United States.

I can only assure you -- because the negotiations have not been completed -- that the United States, as far as I am concerned, will never give up its national defense interests, nor give up its interests in the operation of the Panama Canal. And whatever is negotiated -- and nothing has been concluded -- will be submitted in its entirety to the Congress of the United States.

MORE



QUESTION: Good evening, Mr. President. I am from Peoria. As you know, Central Illinois has had a severe natural gas shortage. What do you propose to do about this natural gas shortage at a national level?

THE PRESIDENT: Let me thank you for asking one of the most fundamental questions asked here tonight. The United States is presently hamstrung by some outmoded legislation that precludes us from stimulating the production of more domestic natural gas production.

The Congress has been struggling for a long time. The Senate passed a good bill about two months ago. The House of Representatives, by a razor thin, narrow margin, passed a bad bill, terrible -- absolutely terrible -- which is worse, in effect, than what we have as a matter of law right now.

Unfortunately, we are at a loggerhead or a stalemate. We have had a declining production within the United States of natural gas since 1973 and as long as we have the present law or the House of Representatives bill our law, it will go down and down and down and down and we will buy more and more and more foreign Arab oil, and that is not good for America.

What I am saying is get the Members of the House of Representatives -- I think all the ones here voted right (Laughter) -- get them to help us to go along with the Senate and stimulate domestic production.

QUESTION: Mr. President, this will be the last question.

THE PRESIDENT: Can't we have one more. There is a nice looking young lady over there.

QUESTION: Mr. President, I am from Peoria and I am a postal employee. I understand that you were against increasing the postal subsidy and now they have been denied the chance to close the rural Post Offices. What do you see as the future for the Postal Service, a service that is vital to all Americans?

THE PRESIDENT: I think we are right down to the bare bone facts. We either have to achieve greater economies in the operation of the Postal Service and have a smaller deficit or we have to charge the people who use the Postal Service for the service that is rendered, or if we don't achieve more economies in the operation or the people who use the Postal Service are not going to pay more, then the taxpayers, as a whole, have to pay the deficit.

MORE

It is just one of three options. Now, I happen to believe we can do a better job running the Post Office. There is no reason in the world why the Post Office should have \$1 billion 300 million deficit in a 12-month period.

So we come right down to how we can eliminate the deficit and there are three options. And I think the Congress has to work with me, but the people in the Post Office Department have to work with us in order to solve the problem.

QUESTION: Mr. President, before we let the last question go with the lovely lady, I am Director of the Dirksen Endowment Fund and on behalf of the Dirksen name and particularly to the Center, and I want to say tonight that you are not only playing well, you are going to continue to play well.

MORE

QUESTION: Thank you, Mr. President. I am from the City of Peoria.

The Peoria Journal staff has reported that you have asked Congress for a block grant for education at the elementary and secondary level. These block grants would replace 24 aids-in-grants. This sounds great, but would you assure us that we would have less restrictions?

Title I and some of the titles are extremely restrictive to us in the local area and in handling these funds.

THE PRESIDENT: You are exactly right. I have recommended to the Congress that we take 24 primary, secondary, or elementary and secondary education categorical grant programs, consolidate them in one block grant program, and that the money should go to the States and to the local units of Government without any matching requirement so that at the local and State level independent decisions could be made as to which areas there should be local emphasis.

The local emphasis in Peoria might be different than the legitimate needs and local emphasis in Miami, or the local emphasis or needs in Grand Rapids might happen to be different from what they are in San Francisco. So, the block grant program gives this flexibility, and we have promised every State and every local unit of Government that they will get no less money than they have gotten this current fiscal year, and they have much more decision-making responsibility at the local and the State level.

The more we get education decisions made at the local level without court interference, the better off we are in the United States.

Could I say one final word. That is great music, but I have a couple of more lines. (Laughter)

Obviously, I have enjoyed being at this outstanding university tonight and talking with all of you from Bradley, as well as from Peoria and surrounding areas. But, before I leave, you know a long time ago I played football at the University of Michigan back when the ball was round, and I just have a great interest in athletics. I think it is great. I am proud of it. I am proud of the fact that Bradley has done so well in basketball, and I am a great enthusiast of Chet Walker, but before I leave, let me pay my respects to another great product in Peoria, the basketball team at Richwoods High School.

Let me conclude my comments tonight by saying that I would like nothing better than to follow their example and go undefeated in Illinois in 1976.

DEFENSE-- Overview --

" . . . It is . . . my duty to do all that I can to reduce the level of danger by diplomatic means, so my policy for national security can be summed up in three words--peace through strength. I believe it is far better to seek negotiations with the Soviet Union based on strength than to permit a runaway nuclear arms race and risk a nuclear holocaust."

President Ford  
The White House  
February, 1976

President Ford believes that a strong defense posture gives weight to our values and our views in international negotiations; assures the vigor of our alliances; and sustains our efforts to promote settlements of international conflicts. Only from a position of strength can the United States negotiate a balanced agreement to limit the growth of nuclear arms. Only a balanced agreement can serve our interest and minimize the threat of nuclear confrontation. President Ford has said that he is:

"determined to resist unilateral disarmament."  
"committed to keeping America's defenses second to none."

Fourteen years on the Defense Appropriation Subcommittee while a Congressman, gave President Ford an in depth understanding of the elements required for a truly comprehensive national defense policy. Since taking office, President Ford's Administration has:

- \* Continued development of the modern B-1 international bomber and Trident strategic submarine;
- \* Streamlined our conventional combat strength by shifting support personnel to combat functions; and
- \* Continued the technical modernization of our land and Naval forces and increased new ship construction.

Defense spending--measured in terms of what a defense dollar can buy--has steadily declined over the last seven years. Federal spending for services and support for individuals--health, social security, and other benefits--and the amount of money sent to the states in the form of grants, often to supplement many of these services--has nearly doubled over that time. While states, counties, cities, individuals, and the Federal government contribute at each level to these health, income maintenance, and social improvement programs, only the Federal government can constitutionally maintain the national defense. Thus, only the Federal budget reflects its cost.

Over the years United States policy has been to seek a reduction of international tensions and a corresponding decrease in military expenditures, through negotiations and discussions. President Ford believes, however, that the incentive to achieve effective government will exist only if the United States and allied forces remain at least as strong as those of potential adversaries. Consequently, President Ford has decided that it is time to halt the downward trend in defense spending.

To maintain the military balance peace requires, President Ford has submitted a defense budget for 1977 which provides a real increase of \$7.4 billion in total obligational authority in defense spending to buy new weapon systems; to improve readiness to existing forces; and to increase selected combat forces.

These measures will all require continuing budget increases, over and above amounts needed to offset inflation. Proposed budget outlays will rise from \$92.8 billion in 1976 to \$101.1 billion in 1977. Many of these proposals will require new legislation. To offset and complement these increases the President has proposed actions to increase the efficiency of the Defense Department by reducing programs that do not affect combat capability, including adjustments to civilian personnel and pay levels. Further reductions will be made in travel, fuel consumption, construction, and other activities which do not contribute to combat effectiveness.

The President's budget increases are designed, above all, to maintain and improve U. S. military capabilities:

- \* Ground forces will be improved through continued production of helicopters and antitank guided missiles
- \* Increased tank procurement will rebuild inventories and allow the conversion of two light infantry divisions into mechanized divisions
- \* Tactical air forces will be strengthened through the continued replacement of older aircraft with higher performance aircraft
- \* Procurement of 16 new ships in 1977 is proposed for the continued modernization of Naval forces and the rebuilding of the fleet:
  - Three nuclear-powered attack submarines, designed to hunt down and destroy enemy submarines, will be procured in 1977
  - Procurement of eight guided missile frigates will provide protection for amphibious force ships, replenishment ships, and merchant convoys from air, surface, and underwater attacks.
- \* Research and development for strategic forces will continue on the Trident submarine; the B-1 strategic bomber; cruise missiles; and a new intercontinental ballistic missile for development in the mid-1980's and on improving ballistic missile warhead accuracy.
- \* Research and development activity for general purpose forces will proceed on a new battle tank, attack helicopter, infantry combat vehicle, and a new air combat fighter for the Navy and Air Force.
- \* Nuclear weapons development, production, and testing continue at about 1976 levels with increases necessary to provide safety, environmental, and waste storage improvements.

And, to moderate the increases in resources that are required to maintain U. S. military strength, President Ford has proposed the following measures to increase the efficiency of the defense establishment:

- \* Restrain the growth in compensation levels;
- \* Reduce civilian personnel positions by consolidating headquarters and other base facilities;
- \* Eliminate dual compensation of Federal employees on active duty for training with the National Guard or Reserve;
- \* Reduce temporary duty and permanent change-of-station travel;
- \* Reduce petroleum consumption for proficiency flying programs through the greater use of small aircraft and ground training aides;
- \* Reduce the scope of the civil defense program, while continuing to support nuclear attack preparedness activities at the State and local level;
- \* Hold new construction below 1976 levels, and
- \* Reduce the paid drill strength of the Naval Reserve by 40,000.

One statement can probably best summarize President Ford's commitment to a strong, vital national defense:

"I am convinced that adequate spending for national defense is an insurance policy for peace we cannot afford to be without."

FY 77 U. S. DEFENSE BUDGET  
PERSPECTIVES

DONALD RUMSFELD  
SECRETARY OF DEFENSE

8 MARCH 1976



## INTRODUCTION

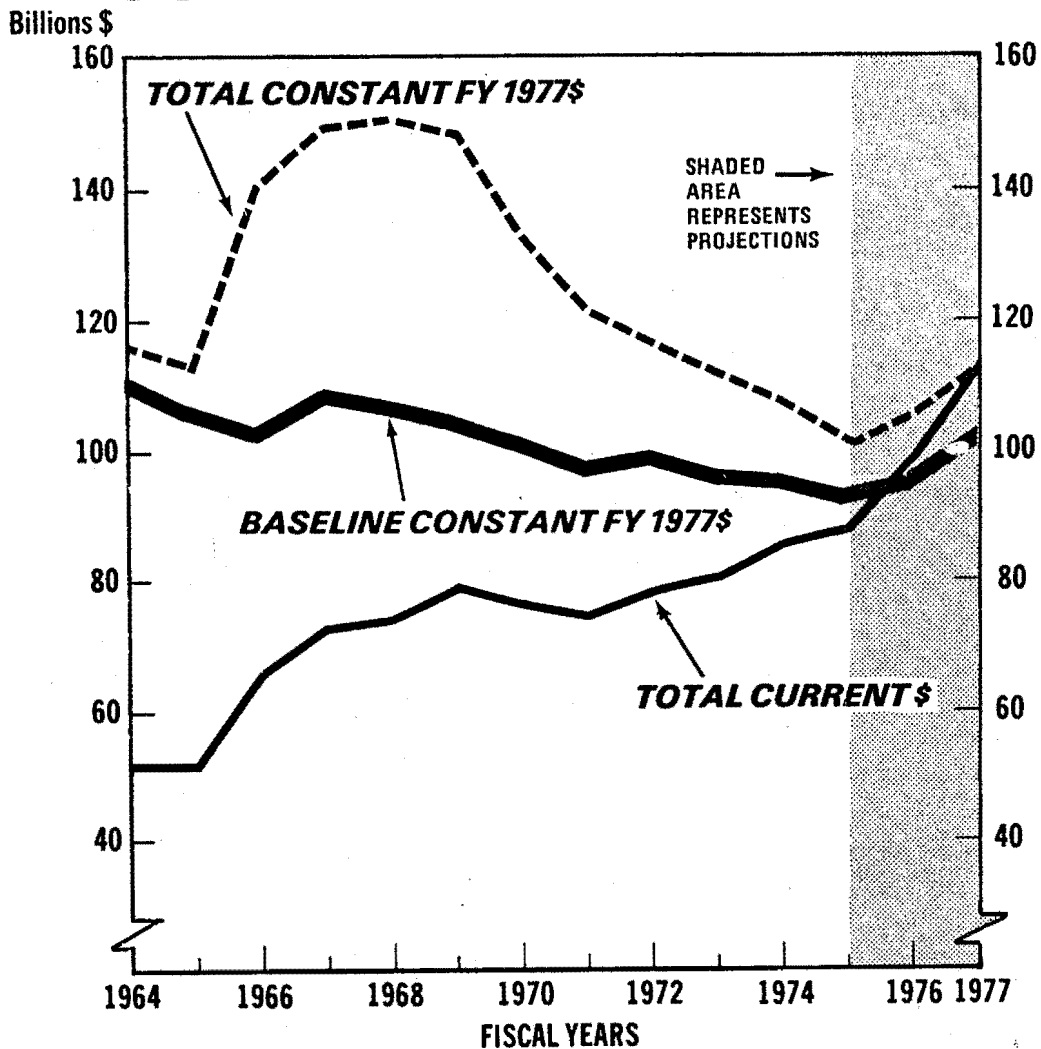
BY MAY 15, 1976, THE CONGRESS WILL HAVE MADE TWO OF THE MOST IMPORTANT DECISIONS IT WILL MAKE THIS YEAR ... THE LEVEL OF TOTAL FEDERAL SPENDING, AND THE PORTION OF THAT TOTAL WHICH WILL BE PROVIDED FOR OUR NATIONAL SECURITY.

THERE IS CONSENSUS THAT U.S. MILITARY CAPABILITY AND STRENGTH CAN TODAY BE DESCRIBED AS "SUFFICIENT" ... THAT IS, WE HAVE "ROUGH EQUIVALENCE" TO THE SOVIET UNION, WHICH IS WHAT U.S. POLICY DEMANDS.

HOWEVER, THE TRENDS OF THE PAST 5-10 YEARS ARE ADVERSE WITH RESPECT TO THE MILITARY BALANCES. NO ONE CHART OR STATISTIC CAN PROVIDE THE COMPLETE PICTURE -- BUT A SWEEPING LOOK AT RESOURCES, PROCUREMENT AND R&D EFFORTS, EQUIPMENT CONSTRUCTION RATES, FORCE LEVEL CHANGES, AND SHIFTS IN RELATIVE CAPABILITY CAN MAKE CLEAR WHAT HAS TAKEN PLACE. A COLLECTION OF SUCH GRAPHICS IS PRESENTED HERE, WITH APPROPRIATE EXPLANATIONS AND CAVEATS.

THE FACTS DRIVE ONE TO THE CLEAR CONCLUSION THAT THE U.S. MUST ACT NOW TO ARREST THESE ADVERSE TRENDS, BY PROVIDING REAL INCREASES FOR NATIONAL SECURITY, UNLESS THE U.S. IS WILLING TO ALTER OUR POLICY OF MAINTAINING "ROUGH EQUIVALENCE." IT IS MY CONVICTION THAT THE AMERICAN PEOPLE ARE NOT WILLING TO ACCEPT A POLICY OF INFERIORITY.

# U.S. DEFENSE BUDGET TRENDS (TOA)

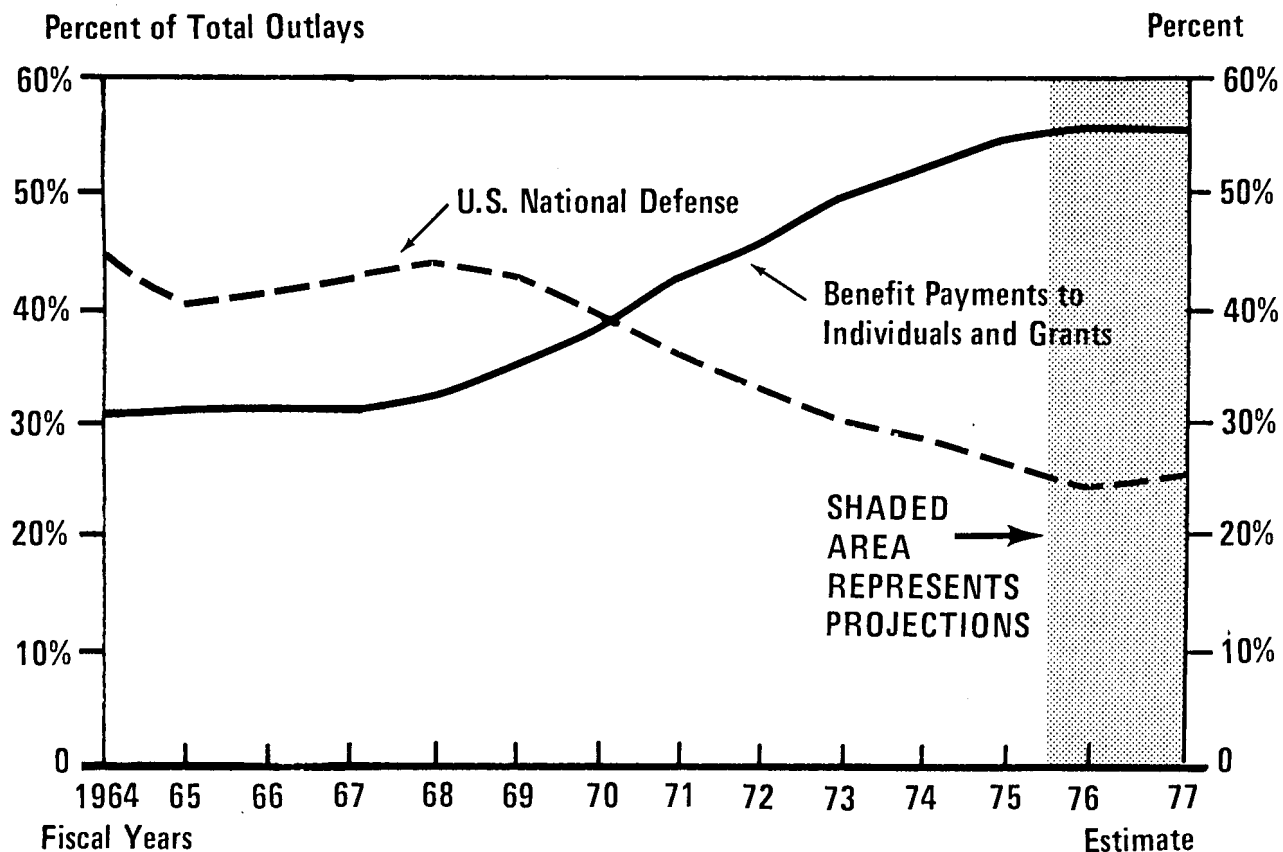


## U.S. DEFENSE BUDGET TRENDS

THE U.S. DEFENSE BUDGET HAS DECREASED IN REAL TERMS BY MORE THAN ONE-THIRD FROM THE 1968 WARTIME PEAK. TODAY, IN REAL TERMS (CORRECTED FOR INFLATION), IT IS 14% BELOW THE LEVELS OF THE PREWAR, EARLY 1960's.

TRENDS ARE SHOWN HERE IN TERMS OF TOTAL OBLIGATIONAL AUTHORITY (TOA). THE BROKEN LINE SHOWS TOTAL TOA (IN CONSTANT FY 77 DOLLARS); THE THICK LINE LABELED "BASELINE" SHOWS THE TREND OF RESOURCES DEVOTED TO MILITARY CAPABILITY (SEASIA WAR COSTS, RETIRED PAY, AND FOREIGN MILITARY SALES HAVE BEEN EXCLUDED); AND THE LOWER CURVE SHOWS THE PROGRESSION OF DEFENSE BUDGETS AS THEY APPEARED IN CURRENT DOLLARS.

## Shares of the U.S. Budget

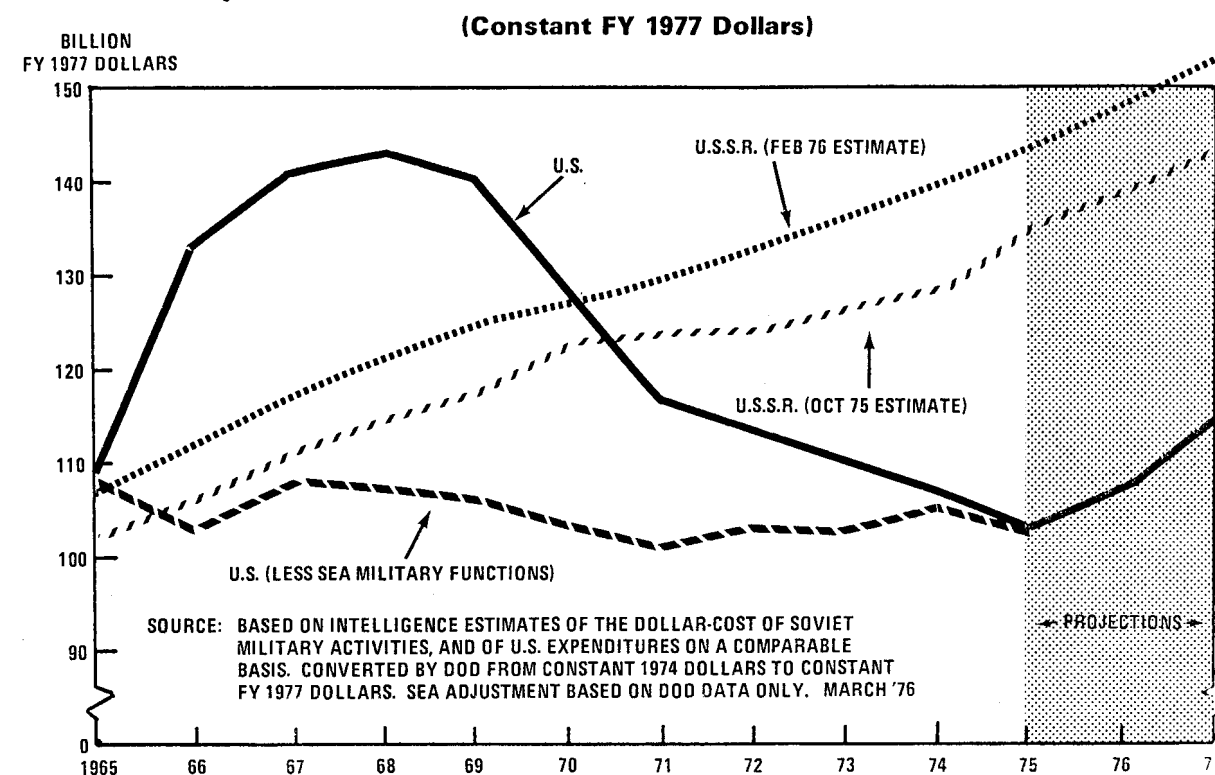


### SHARES OF THE U.S. BUDGET

U.S. DEFENSE SPENDING TODAY IS ABOUT 25% OF THE TOTAL FEDERAL BUDGET -- THE LOWEST SHARE SINCE FY 1940, SHORTLY BEFORE PEARL HARBOR -- HAVING DROPPED FROM 43% IN PREWAR 1964.

AS SHOWN, BENEFIT PAYMENTS TO INDIVIDUALS AND GRANTS HAVE INCREASED FROM A 30% SHARE OF THE FEDERAL BUDGET TO MORE THAN 55% DURING THE SAME PERIOD.

## U.S. AND SOVIET DEFENSE PROGRAM TRENDS (U.S. Expenditures and Estimated Dollar Costs of Soviet Programs)



### SOVIET PROGRAM DEFENSE TRENDS

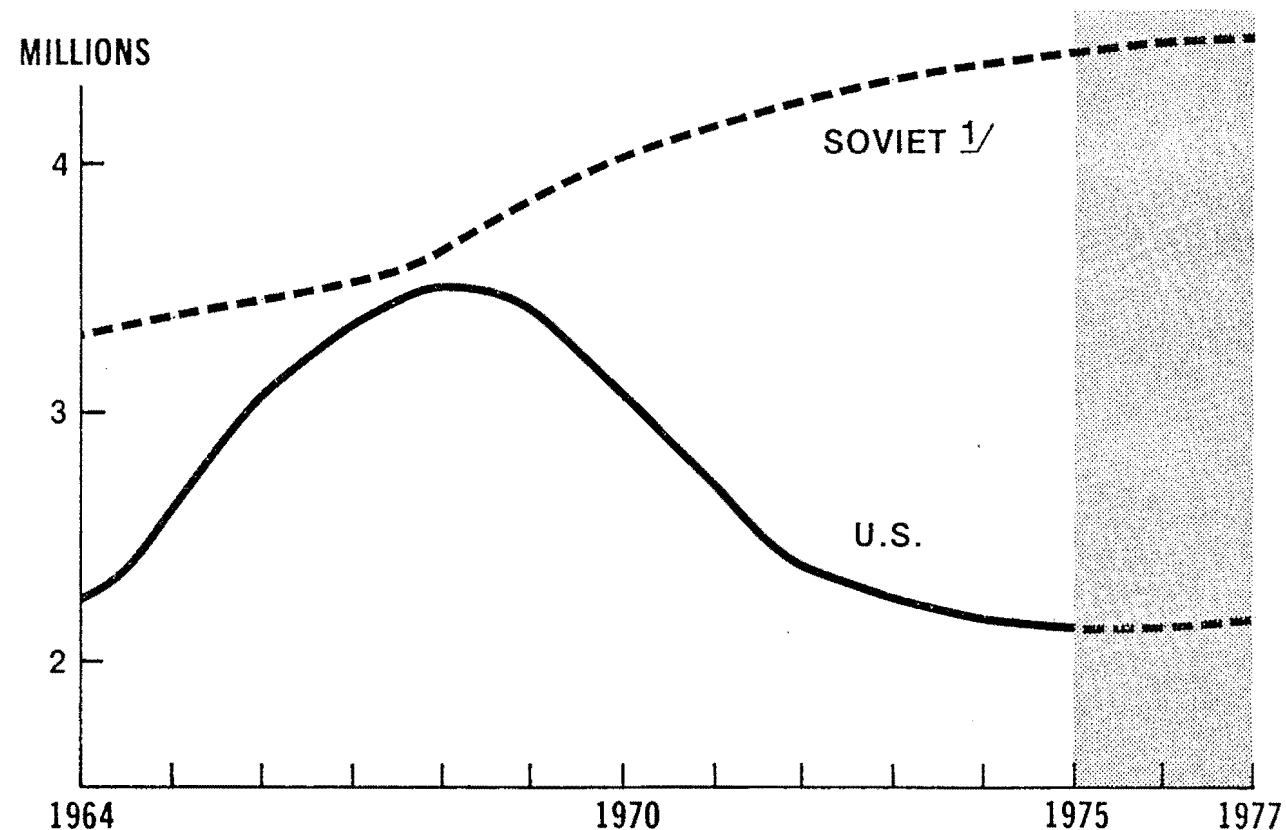
WHILE THESE REDUCTIONS HAVE BEEN GOING ON IN THE U.S., THE SOVIET UNION HAS BEEN MOVING STEADILY IN THE OTHER DIRECTION.

THE INTELLIGENCE COMMUNITY HAS WORKED AT THE COMPLEX TASK OF ESTIMATING THE MAGNITUDE OF SOVIET EFFORT; TWO OF THE MOST RECENT ESTIMATES ARE SHOWN ON THE CHART ABOVE. THERE REMAINS SOME DISAGREEMENT AMONG ANALYSTS AS TO THE ABSOLUTE VALUE OF MILITARY EFFORTS IN THEIR CONTROLLED ECONOMY. HOWEVER, THE FEBRUARY 1976 ESTIMATE SHOWS THAT THE CONSTANT 1977 DOLLAR VALUE OF THE RESOURCES ALLOCATED TO SOVIET NATIONAL DEFENSE APPEARS TO HAVE GROWN FROM 107 BILLION IN 1965 TO 144 BILLION IN 1975, AN AVERAGE ANNUAL INCREASE OF AT LEAST 3%.

THE CHART COMPARES AN ESTIMATE OF SOVIET PROGRAM COSTS WITH COMPARABLE COSTS OF U.S. DEFENSE PROGRAMS.

THE EVIDENCE WE HAVE OF THE WEIGHT OF EFFORT AND THE MOMENTUM IN SOVIET MILITARY PROGRAMS IS FULLY CONSISTENT WITH THESE ESTIMATES.

# U.S./U.S.S.R. MILITARY MANPOWER



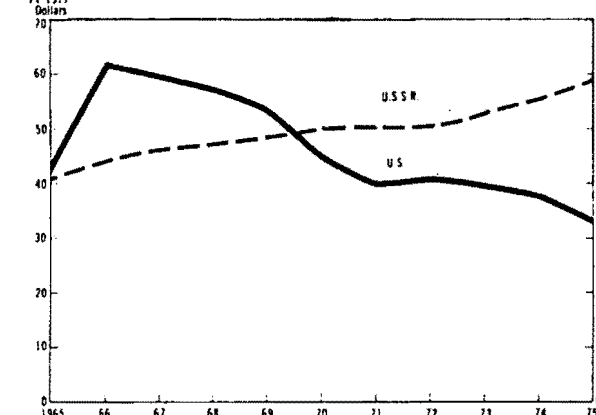
<sup>1</sup> EXCLUDES MILITARY SECURITY FORCES.

## COMPARATIVE MILITARY MANPOWER - U.S./USSR

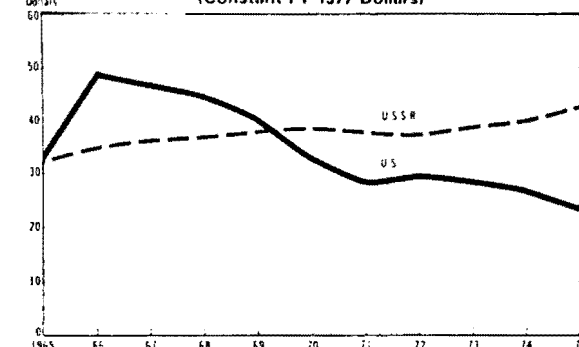
THE SOVIETS HAVE INCREASED THE NUMBER OF MEN UNDER ARMS (NOT INCLUDING SOME 400,000 MILITARY SECURITY FORCE MEMBERS) FROM 3.4 TO 4.4 MILLION SINCE 1964.

DURING THE SAME PERIOD, U.S. UNIFORMED MILITARY STRENGTH INCREASED FROM A PREWAR 1964 LEVEL OF 2.7 MILLION TO A PEAK OF 3.5 MILLION DURING THE WAR IN SOUTHEAST ASIA, THEN DECLINED TO 2.1 MILLION TODAY. THERE ARE FEWER AMERICANS IN UNIFORM TODAY THAN AT ANY TIME SINCE THE FALL OF 1950.

## COMPARATIVE U.S. AND SOVIET MILITARY INVESTMENT\* (Procurement, Facilities, RDT&E) (Constant FY 1977 Dollars)

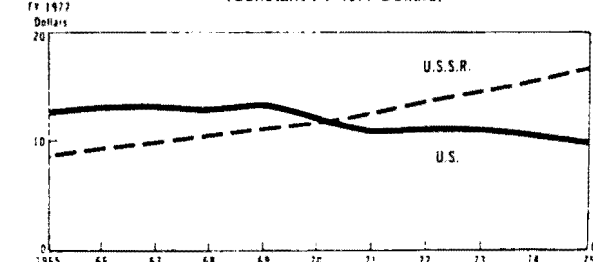


## COMPARATIVE U.S. AND SOVIET PROCUREMENT\* AND FACILITIES CONSTRUCTION (Constant FY 1977 Dollars)



\*BASED ON INTELLIGENCE ESTIMATES IN 1974 DOLLARS, CONVERTED TO FY 1977 DOLLARS BY DOD

## COMPARATIVE U.S. AND SOVIET MILITARY RDT&E\* (Constant FY 1977 Dollars)



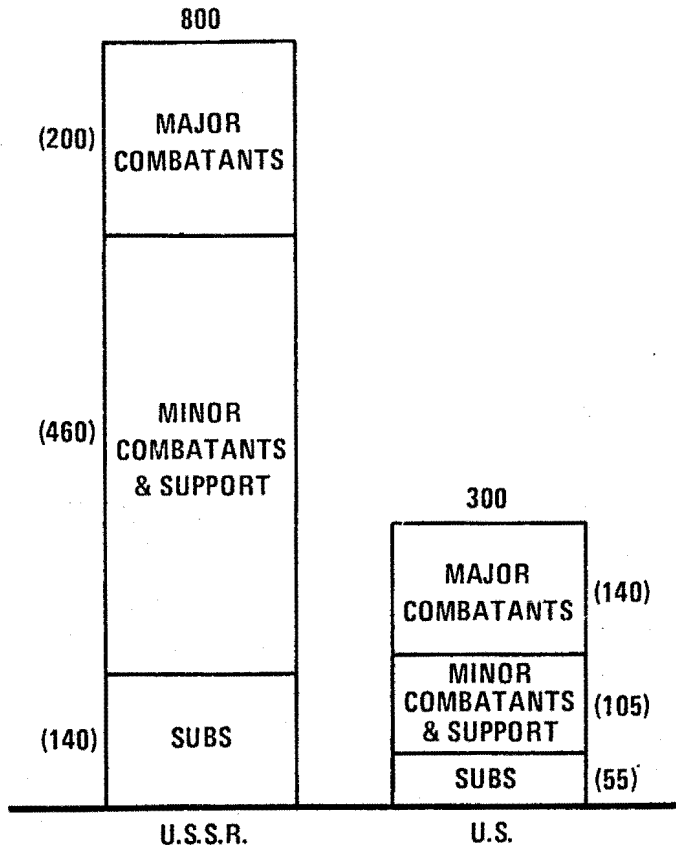
## U.S./USSR Comparative Investment IN PROCUREMENT, FACILITIES, RDT&E

OVER THE PAST 10-12 YEARS, SOVIET INVESTMENT, IN REAL TERMS, IN DEVELOPMENT AND PROCUREMENT OF NEW SYSTEMS AND FACILITIES FOR PRODUCTION HAS CLEARLY EXCEEDED THAT OF THE U.S.

THE TOP CHART DISPLAYS AGGREGATED DATA; THE CHART IN THE LOWER LEFT-HAND CORNER SEPARATES PROCUREMENT AND CONSTRUCTION TRENDS FROM RDT&E. MILITARY RESEARCH AND DEVELOPMENT IS SHOWN IN THE LOWER RIGHT-HAND CORNER.

THE SOVIETS HAVE DEVELOPED AN INDUSTRIAL BASE WHICH HAS QUANTITATIVELY OUTPRODUCED THE U.S. IN MOST CATEGORIES OF MILITARY HARDWARE. THE WEIGHT OF THE SOVIET EFFORT AND THE MOMENTUM DEVELOPED ARE OF SERIOUS CONCERN.

# **U.S.S.R./U.S. NAVAL SHIP CONSTRUCTION 1965-1975**

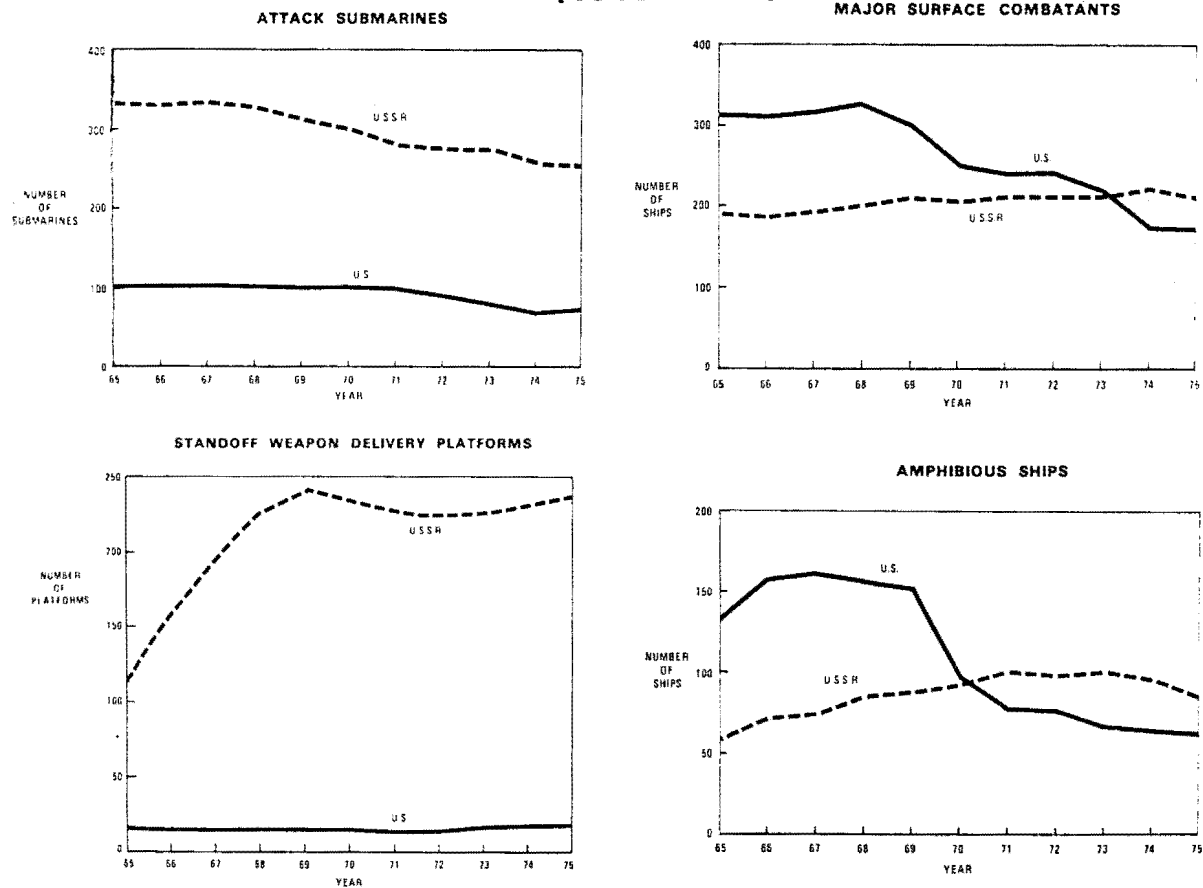


## COMPARATIVE NAVAL SHIP CONSTRUCTION - U.S./USSR

SINCE 1962, WHEN THE SOVIETS BEGAN EXPANDING THEIR MARITIME POWER IN EARNEST, THEY HAVE BUILT MORE THAN FOUR TIMES AS MANY SHIPS FOR THEIR NAVY AS HAS THE U.S.

THE TWO COLUMNS ON THIS CHART COMPARE QUANTITATIVELY USSR AND U.S. SHIPBUILDING PROGRAMS -- MAJOR COMBATANTS, MINOR COMBATANTS (1,000 TONS OR LESS) AND UNDERWAY REPLENISHMENT SHIPS, AND SUBMARINES -- FOR THE 1965-1975 PERIOD.

# **CHANGES IN NAVAL FORCE LEVELS -- U.S./U.S.S.R. (1965 - 1975)**



## CHANGES IN NAVAL FORCE LEVELS - U.S./USSR

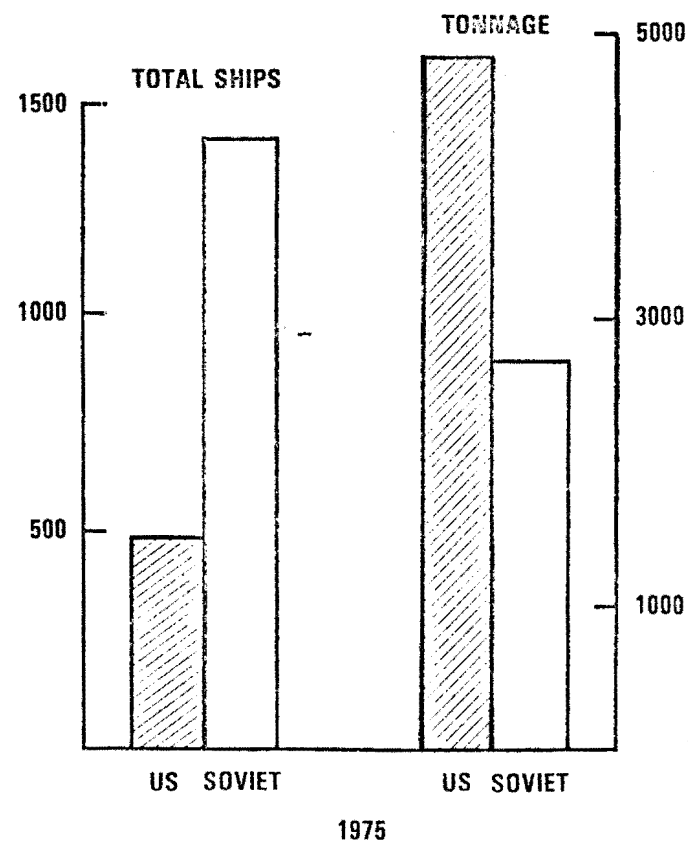
THE SOVIET FORCE HAS BECOME SMALLER WITH THE RETIREMENT OF LARGE NUMBERS OF DIESEL SUBMARINES. HOWEVER, THE SOVIETS RETAIN A 2.5-TO-1 ADVANTAGE IN ATTACK SUBMARINES.

THE SOVIETS HAVE 20% GREATER NUMBERS OF MAJOR SURFACE COMBATANTS -- AIRCRAFT CARRIERS, CRUISERS, DESTROYERS, AND FRIGATES -- ALTHOUGH THE U.S. HAS AN UNQUESTIONED LEAD IN SEA-BASED AVIATION.

THERE IS A MARKED ASYMMETRY IN THE WAY THE TWO NAVIES HAVE DISPERSED OFFENSIVE, STANDOFF WEAPONS CAPABILITY ... THE U.S. STANDOFF, OFFENSIVE STRENGTH LIES ALMOST ENTIRELY IN 13 AIRCRAFT CARRIERS, WHERE THE SOVIETS HAVE SOME 240 SHIPS WITH STANDOFF WEAPONS CAPABILITY.

THE SOVIETS HAVE BUILT A FORCE OF AMPHIBIOUS LIFT SHIPS WHICH NUMERICALLY EXCEEDS OURS, HOWEVER, U.S. ASSAULT CAPABILITY AND FLEXIBILITY VASTLY EXCEEDS THEIRS.

## NUMBER AND TONNAGE OF MAJOR U.S. AND USSR SHIPS



COMPARATIVE NUMBERS AND TONNAGE  
OF U.S./USSR NAVAL SHIPS

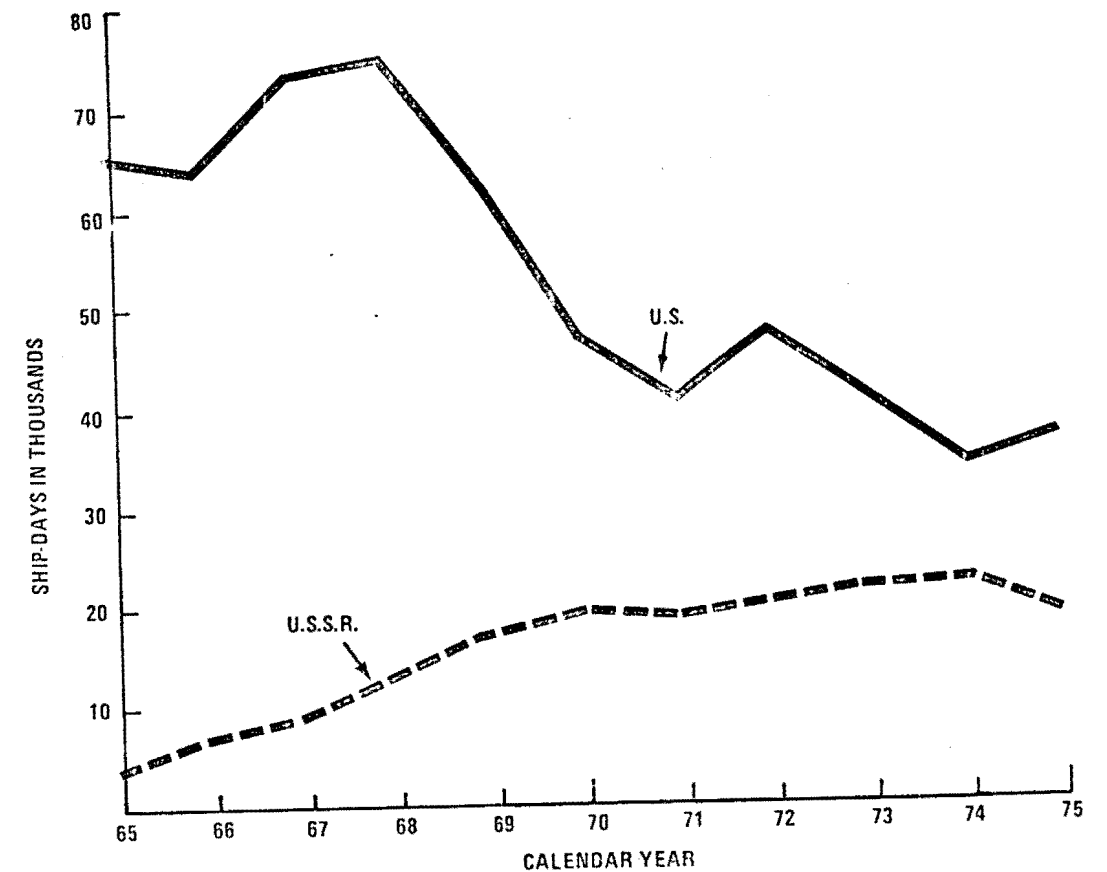
A 1975 COMPARISON OF THE NUMBERS OF SHIPS AND TOTAL TONNAGE OF THE TWO NAVIES SHOWS TWO ASYMMETRIES. FIRST, THE SOVIETS HAVE MORE SHIPS (MANY OF WHICH ARE SMALLER THAN 1,000 TONS), CONSISTENT WITH THE TRADITIONAL VIEW THAT THEIR NAVY IS THE SEAWARD EXTENSION OF THE RED ARMY, LARGELY COASTAL IN ORIENTATION.

SECOND, THE U.S. LEADS IN DISPLACEMENT BECAUSE WE HAVE BUILT SHIPS FOR ROUTINE OPERATION ON DISTANT DEPLOYMENT. (ABOUT 60% OF THE U.S. ADVANTAGE IN TONNAGE RELATES TO OUR 13 AIRCRAFT CARRIERS.)

THE MIX OF SHIPS IN THE SOVIET NAVY IS CHANGING STEADILY AS THEY BUILD BIGGER, MORE CAPABLE SHIPS AND ADD HELICOPTER AND VSTOL AIRCRAFT CARRIERS.

WHEN THE CONTRIBUTIONS OF PRINCIPAL ALLIES ON BOTH SIDES ARE INCLUDED, THE NUMBERS TEND TO EQUATE.

## U.S./U.S.S.R. COMBATANT SHIP-DAYS ON DISTANT DEPLOYMENT



INCLUDES AIRCRAFT CARRIERS, MAJOR SURFACE COMBATANTS, GENERAL PURPOSE SUBMARINES, MINOR SURFACE COMBATANTS, AMPHIBIOUS SHIPS, AND MINE WARFARE SHIPS.

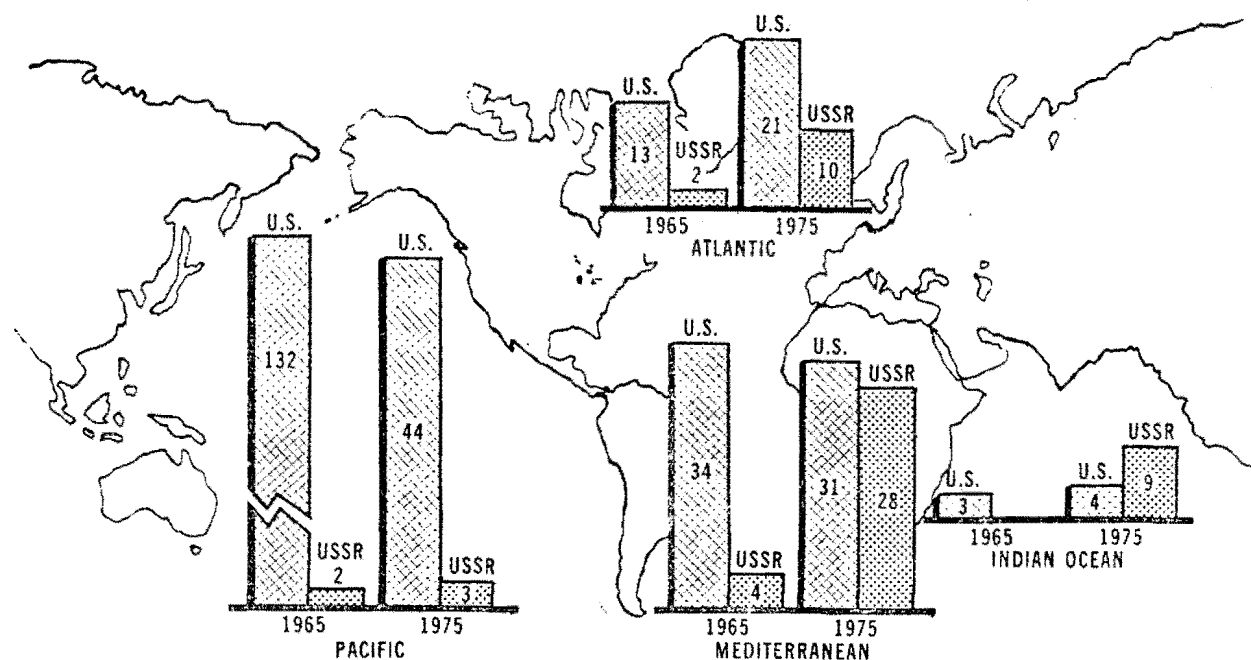
## U.S./USSR COMBATANT SHIP-DAYS ON DISTANT DEPLOYMENT

AS INTERESTING AS THE GROWTH OF THE SOVIET NAVY IS THE WORLDWIDE DEPLOYMENT OF THEIR SHIPS ON A ROUTINE BASIS, BEGINNING IN THE EARLY 1960's.

RECENTLY, THE SOVIETS HAVE MAINTAINED A STEADY-STATE NAVAL PRESENCE AT A LEVEL ABOUT TWO-THIRDS THAT OF THE U.S.

# ESTIMATED U.S./USSR RELATIVE PRODUCTION RATES (1971 - 1975)

## US/USSR COMBATANT DEPLOYMENTS\* (AVERAGE CY 65 AND 75)







\* INCLUDES AIRCRAFT CARRIERS, GENERAL PURPOSE SUBMARINES, MAJOR SURFACE COMBATANTS, MINOR SURFACE COMBATANTS, AMPHIBIOUS SHIPS, AND MINE WARFARE SHIPS.

FEBRUARY 1976

### GEOGRAPHICAL DISTRIBUTION OF U.S./USSR COMBATANT DEPLOYMENTS

THE SOVIET UNION HAS ADOPTED A NAVAL DEPLOYMENT PATTERN QUITE DISSIMILAR TO THAT OF THE U.S.

THIS CHART SHOWS 1965 COMPARISONS TO THE LEFT AND 1975 COMPARISONS TO THE RIGHT, BY MAJOR OCEAN AREA. THE NAVAL CONTRIBUTIONS OF THE NATIONS ALLIED WITH THE U.S. AND THE USSR ARE NOT INCLUDED IN THESE COMPARISONS.

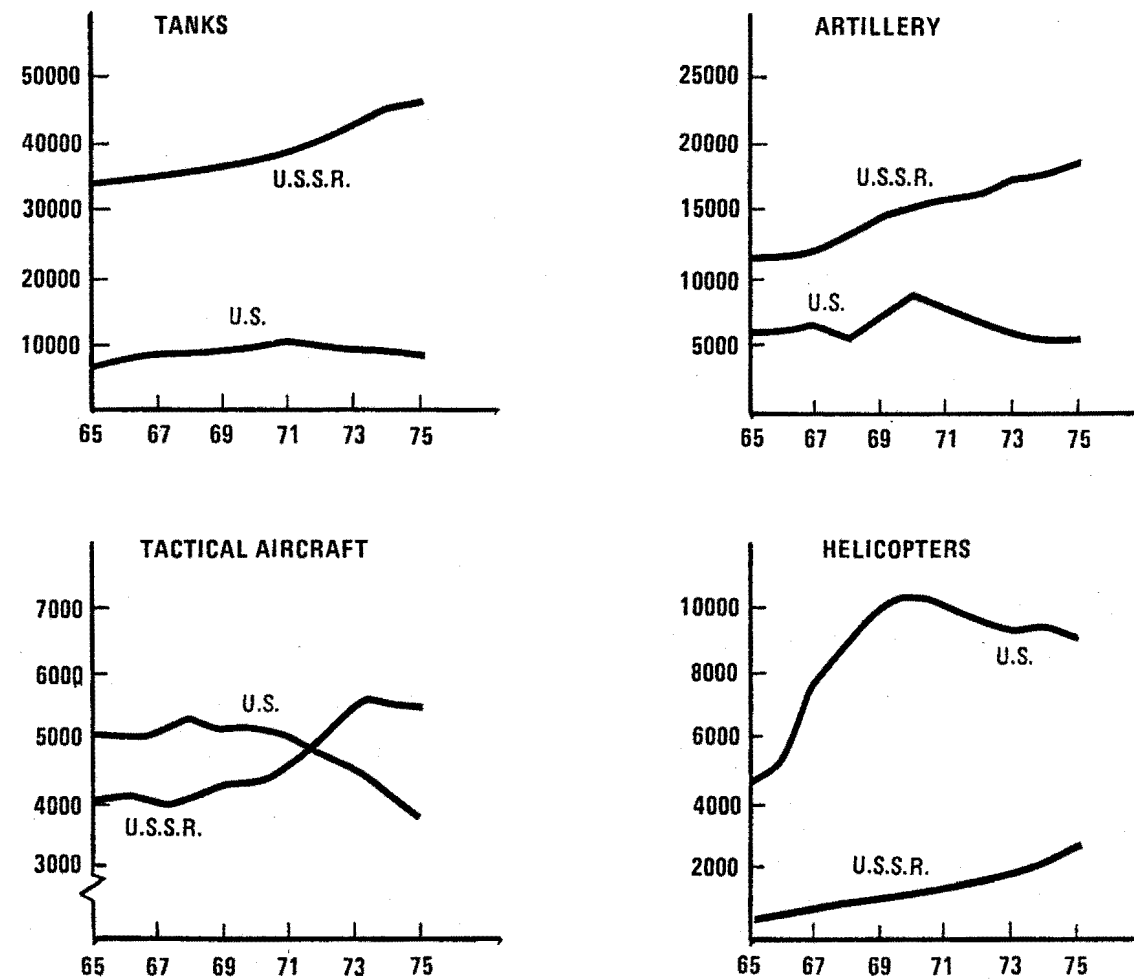
	USSR 1971-75 AVG	U.S. 1971-75 AVG	USSR/U.S. RATIO 1971-75
	3,030	413	7.3:1
	4,000	1,577	2.5:1
	1,350	271	5:1
	928	609	1.5:1

### U.S./USSR RELATIVE PRODUCTION RATES FOR GROUND AND TACAIR FORCE EQUIPMENT

AVERAGE SOVIET PRODUCTION OF MAJOR ITEMS OF GROUND WARFARE EQUIPMENT -- TANKS, ARMORED PERSONNEL CARRIERS, ARTILLERY PIECES, AND TACTICAL AIRCRAFT -- OVER THE PAST FIVE YEARS IS ESTIMATED TO HAVE EXCEEDED QUANTITATIVELY THAT OF THE U.S. BY THE MARGINS INDICATED.

## CHANGES IN QUANTITIES OF MILITARY EQUIPMENTS -- U.S./U.S.S.R.

(1965-1975)



### GROUND AND TACAIR FORCE MILITARY EQUIPMENT - U.S./USSR

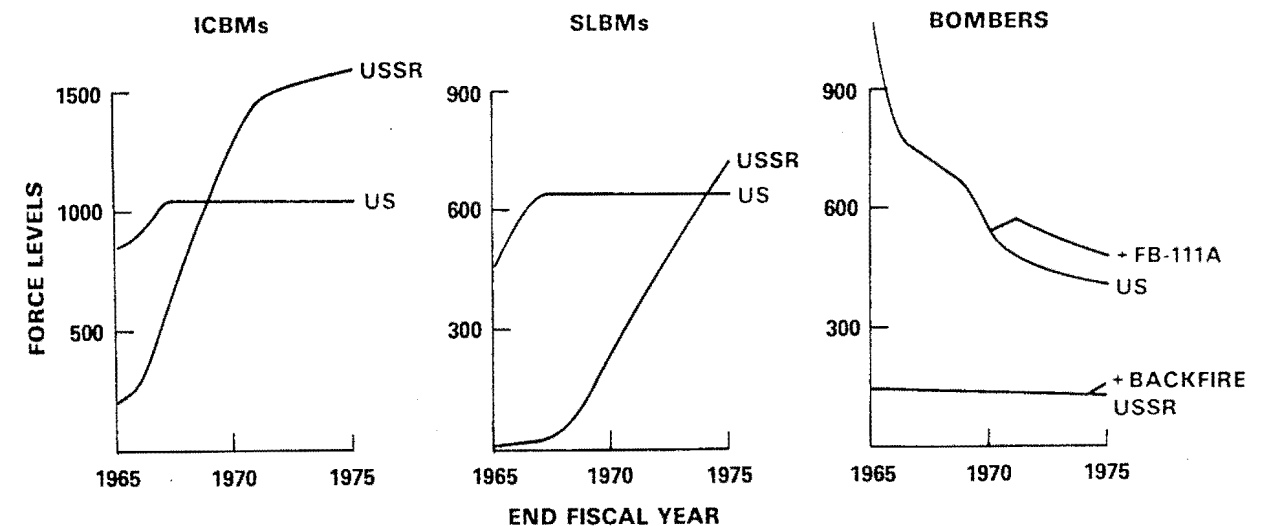
SOVIET TANK INVENTORIES EXCEED THOSE OF THE U.S. BY ROUGHLY 4-TO-1, AND ARE INCREASING.

THE SOVIETS HAVE 2.5 TIMES AS MUCH ARTILLERY.

THEY HAVE BUILT A MODERN, CAPABLE TACTICAL AIRCRAFT FORCE WHICH IN NUMBERS, BUT NOT QUALITY, EXCEEDS OURS BY 30%.

IN HELICOPTERS THE U.S. MAINTAINS SUPERIORITY, BUT THE SOVIETS ARE NOW BUILDING HELICOPTERS IN QUANTITY.

## CHANGES IN U.S./U.S.S.R. STRATEGIC FORCE LEVELS



### CHANGES IN STRATEGIC NUCLEAR FORCES - U.S./USSR

THE SOVIETS HAVE INCREASED FROM ABOUT 225 ICBMs IN 1965 TO SOME 1,600 TODAY, HAVING OVERTAKEN THE U.S. IN THE LATE 1960's.

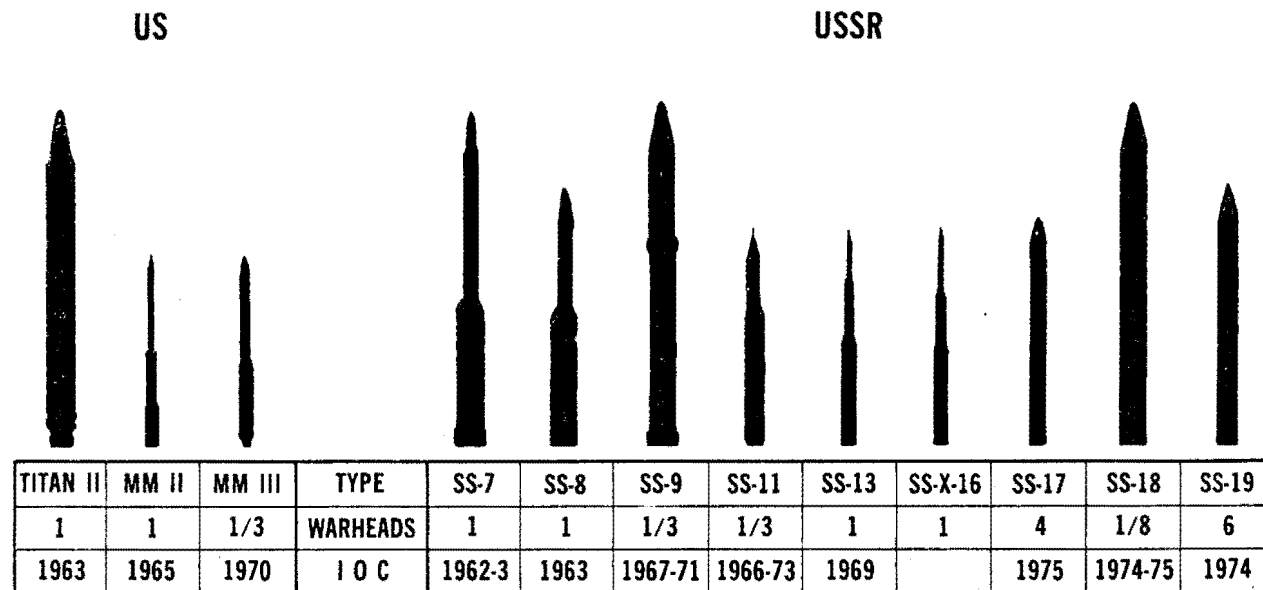
THE SOVIET SUBMARINE-LAUNCHED BALLISTIC MISSILES HAVE GROWN FROM 29 TO MORE THAN 700, WHILE THE U.S. HAS BEEN LEVEL AT 656.

IN THE BOMBER FORCE, THE U.S. MAINTAINS A LEAD.

THESE COMPARISONS DO NOT ADDRESS QUALITATIVE DIFFERENCES IN THE TWO FORCES.



## COMPARISON OF US AND USSR ICBMs

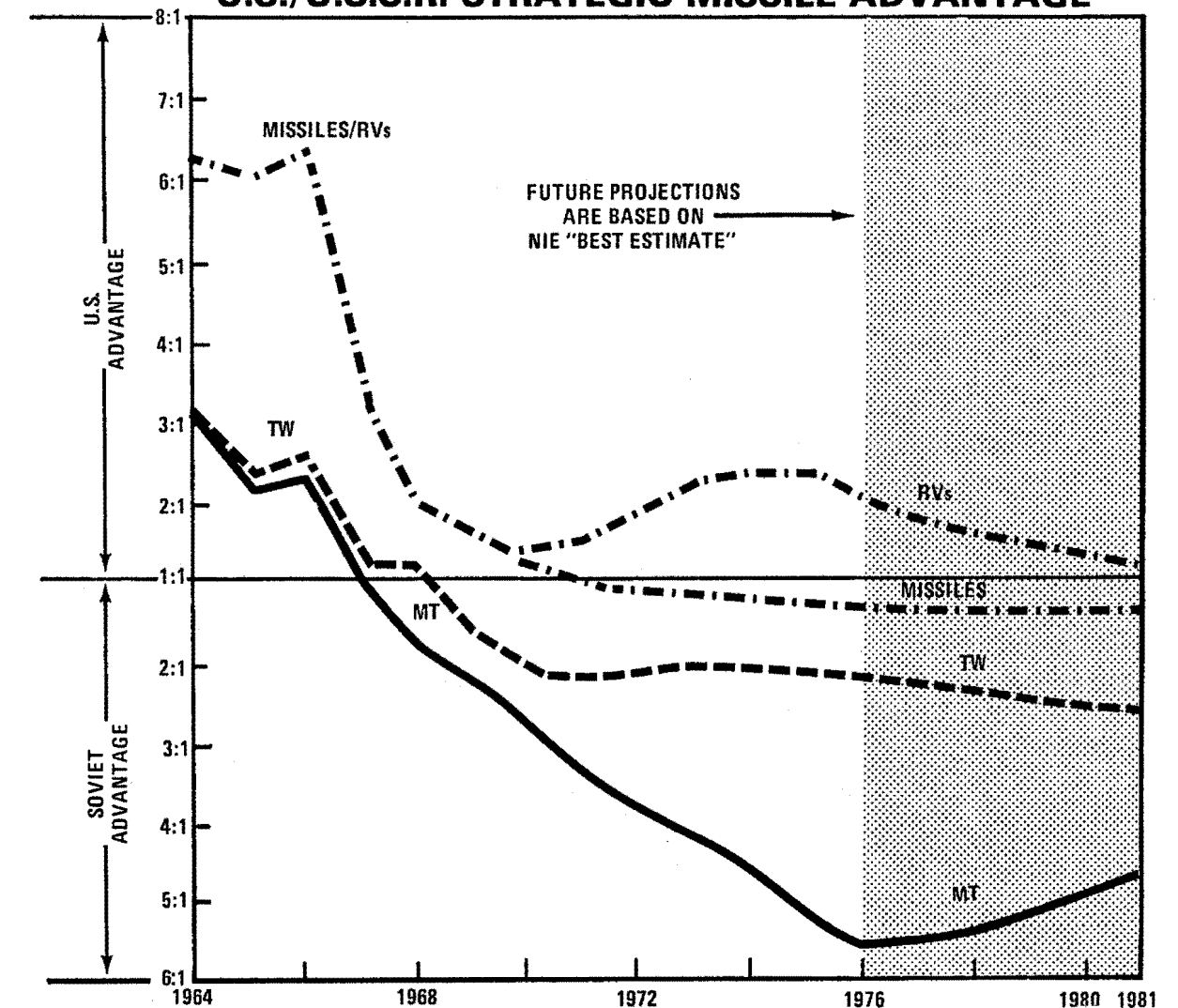


COMPARISON OF U.S./USSR ICBMs

THE SOVIETS HAVE DEVELOPED FOUR NEW ICBMs IN THE PAST FEW YEARS, TWO OF WHICH ARE CURRENTLY BEING DEPLOYED WITH MULTIPLE INDEPENDENTLY TARGETABLE REENTRY VEHICLES (MIRVs). FOLLOW-ON MISSILES ARE IN R&D.

THIS CHART SHOWS ON THE LEFT THE THREE ICBMs WHICH MAKE UP THE U.S. INVENTORY -- BY NAME, NUMBER OF WARHEADS, AND YEAR OF INITIAL OPERATIONAL CAPABILITY -- AND THE NINE SOVIET COUNTERPARTS. WHERE THE NUMBER OF WARHEADS IS DEPICTED WITH A DIAGONAL, IT INDICATES THAT THE LATER VERSIONS OF A GIVEN MISSILE HAVE MULTIPLE WARHEAD CAPABILITY.

## U.S./U.S.S.R. STRATEGIC MISSILE ADVANTAGE

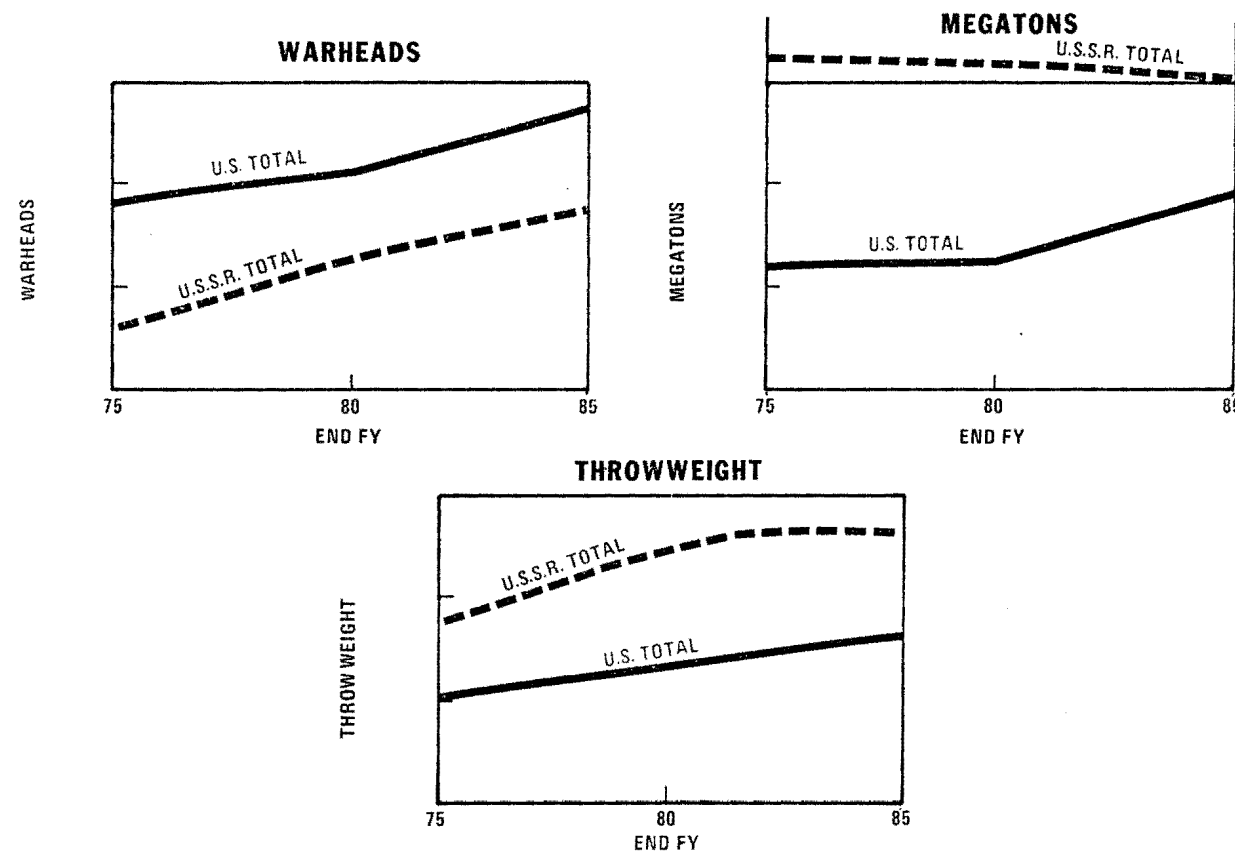


U.S./USSR Strategic Missile Advantage

THIS CHART -- WHICH EXCLUDES STRATEGIC BOMBER FORCES, AN AREA IN WHICH THE U.S. HAS AN ADVANTAGE -- SHOWS HOW THE STRATEGIC MISSILE ADVANTAGE HAS SHIFTED AWAY FROM THE U.S. OVER TIME.

TAKING SOVIET IMPROVEMENTS AND U.S. DEVELOPMENTS INTO CONSIDERATION, WE CAN EXPECT A CONTINUED SOVIET ADVANTAGE IN THROWWEIGHT AND MEGATONS, ALTHOUGH THE U.S. SHOULD RETAIN A LEAD IN NUMBERS OF WARHEADS. ABOVE THE HORIZONTAL LINE WHICH DIVIDES THE CHART, THE ADVANTAGE RESIDES WITH THE U.S.; BELOW THE LINE, IT FALLS TO THE USSR.

# PROJECTED INVENTORY U.S./U.S.S.R. (2400 SNDV/1320 MIRV LEVEL)



## PROJECTED NUCLEAR INVENTORIES - U.S./USSR

FROM THE STANDPOINT OF THE TOTAL STRATEGIC NUCLEAR INVENTORY -- WHICH INCLUDES MISSILES AND BOMBERS -- PROJECTED TRENDS INDICATE A U.S. LEAD IN NUMBERS OF WARHEADS, WITH THE USSR MAINTAINING THE ADVANTAGE IN MEGATONS AND THROWWEIGHT.

THESE PROJECTIONS ASSUME THAT THE VLADIVOSTOK AGREEMENT LIMITS OF 2,400 STRATEGIC NUCLEAR DELIVERY VEHICLES (SNDV) AND 1,320 MULTIPLE INDEPENDENTLY TARGETED REENTRY VEHICLES (MIRV) WILL BE EVENTUALLY AGREED UPON BY BOTH SIDES IN A TREATY.

# CENTRAL EUROPEAN BALANCE (Non-Mobilized 1975)

NATO LEADS		PACT LEADS
	MANPOWER	-TROOPS
-ARMORED PERSONNEL CARRIERS -ANTI-TANK GUIDED MISSILES -MORTARS	GROUND WEAPONS	-ARTILLERY -TANKS -MULTIPLE ROCKET LAUNCHERS
-GROUND ATTACK -RECONNAISSANCE -HELICOPTERS	AIRCRAFT	-AIR DEFENSE

## CENTRAL EUROPEAN BALANCE - NATO/WARSAW PACT

CENTRAL EUROPEAN FORCE POSTURES AND DEVELOPMENTS SUGGEST THAT, UNLESS COUNTERBALANCED, INCREASING SOVIET FIREPOWER AND MOBILITY COULD BEGIN TO GIVE THE WARSAW PACT FORCES AN UNACCEPTABLE ADVANTAGE.

ASYMMETRIES THAT INFLUENCE THE ASSESSMENT INCLUDE THE FOLLOWING:

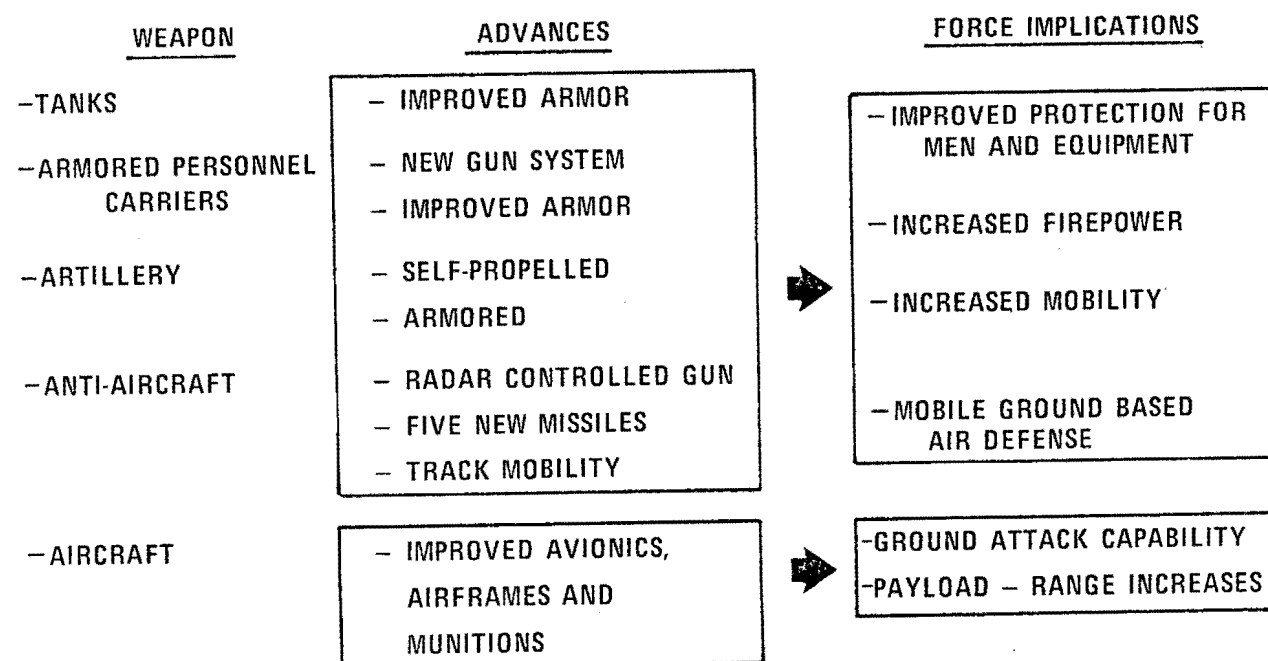
-- NATO HAS SEVERAL ADVANTAGES:

- A DEFENSIVE MISSION WITH ADVANTAGES OF INTERIOR LINES AND FAMILIAR TERRAIN.
- SUPERIOR TACTICAL AIRPOWER.
- MORE ANTI-TANK WEAPONS, HELICOPTERS, AND ARMORED PERSONNEL CARRIERS.

-- THE WARSAW PACT HAS:

- THE INITIATIVE IN CHOOSING THE TIME AND NATURE OF ATTACK.
- MORE TANKS AND ARTILLERY PIECES, AND MODERN SOPHISTICATED BATTLEFIELD AIR DEFENSE SYSTEMS.

## SOVIET WEAPON ADVANCES 1965-1975



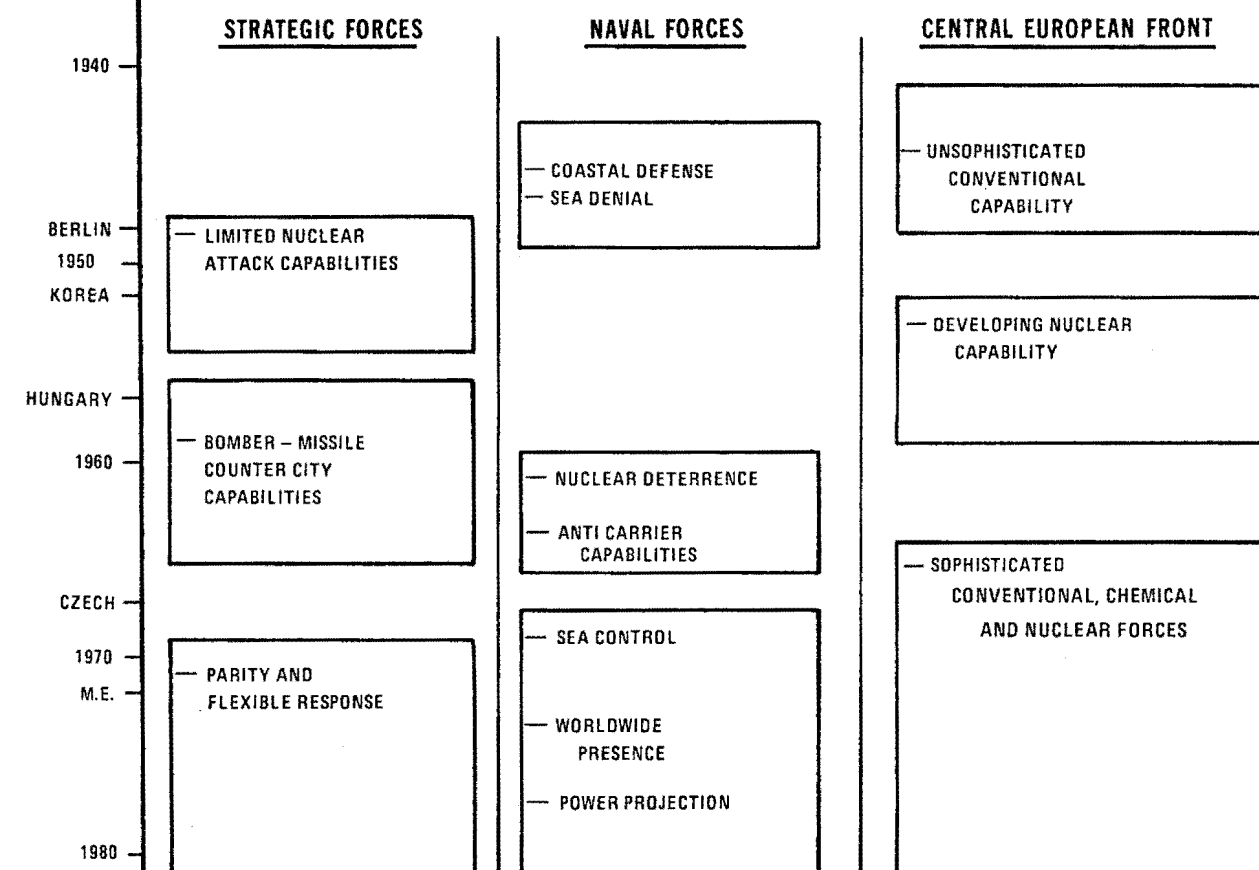
### SOVIET WEAPON ADVANCES

THE SOVIETS FOR SOME TIME HAVE STRESSED AN OFFENSIVE DOCTRINE FOR A BLITZKRIEG-TYPE WAR. IN THE PAST DECADE THEY HAVE MADE PROGRESS TOWARD BUILDING A FORCE WHICH COULD IMPLEMENT THAT DOCTRINE. SINCE THE MID-1960's, THEY HAVE INTRODUCED FIVE NEW TYPES OF AIRCRAFT AND PROVIDED THEIR GROUND FORCES WITH A NEW GENERATION OF WEAPONS IN MOST MAJOR CATEGORIES.

THESE WEAPONS HAVE BEEN, IN MOST CASES, NEW DESIGNS -- AND ARE SOPHISTICATED. FOR EXAMPLE, SOVIET DIVISIONS HAVE BEEN EQUIPPED WITH AS MANY AS FIVE DIFFERENT SURFACE-TO-AIR GUN AND MISSILE SYSTEMS, EACH WITH OVERLAPPING AIR DEFENSE CAPABILITIES AND USING DIFFERENT METHODS TO ACQUIRE, TRACK AND ENGAGE AIRCRAFT. THEIR ARMORED PERSONNEL CARRIER CARRIES TROOPS, ENABLES THEM TO FIGHT FROM WITHIN THE VEHICLE, AND MOUNTS ANTI-TANK WEAPONS.

MAJOR IMPROVEMENT IN GROUND BASED AIR DEFENSE HAS FREED THE SOVIET AIR FORCE FOR AN AIR SUPPORT ROLE.

## EVOLUTION OF SOVIET POWER



### EVOLUTION OF SOVIET POWER

WHEN ONE CONSIDERS THE STRATEGIC NUCLEAR, NAVAL, AND CENTRAL EUROPEAN FRONT BALANCES TOGETHER, IT IS APPARENT THAT SIGNIFICANT CHANGES IN SOVIET CAPABILITIES HAVE OCCURRED IN THE PAST 15 YEARS. THE SOVIETS HAVE COME FROM THE UNSOPHISTICATED, CONTINENTALLY CONFINED, ARMED FORCES OF THE POST WORLD WAR II DAYS TO CLEAR MILITARY SUPERPOWER STATUS IN THE 1970's.

THERE IS POWERFUL MOMENTUM IN SOVIET MILITARY PROGRAMS AND IN THE EMERGING PATTERN OF EXTERNAL PROJECTION OF SOVIET POWER.

U.S. DEPARTMENT OF DEFENSE BUDGET

**DEFENSE BUDGET TOTALS**

(\$ IN BILLIONS)

CURRENT DOLLARS	FY 1964 ACTUAL	FY 1974 ACTUAL	FY 1975 ACTUAL	FY 1976 ESTIMATE	FY 1977 ESTIMATE	INCREASE FY 1976-77
Total Obligational Authority (TOA)	50.7	85.1	87.9	98.3	112.7	14.4
Budget Authority (BA)	50.7	88.9	91.5	100.7	113.8	13.1
Outlays	50.8	78.4	86.0	91.2	100.1	8.9
<b>CONSTANT FY 1977 DOLLARS</b>						
Total Obligational Authority (TOA)	115.4	107.3	100.7	105.3	112.7	7.4
Budget Authority (BA)	115.5	112.6	104.8	108.0	113.8	5.8
Outlays	113.8	101.7	99.1	98.2	100.1	1.9

U.S. DEFENSE BUDGET TOTALS

IT IS CLEAR TO THOSE WHO LOOK AT THE MILITARY BALANCE WHICH RESULTS FROM THE TRENDS DESCRIBED THAT, IF THE U.S. IS TO MAINTAIN "SUFFICIENCY" AND WORLD STABILITY, THESE TRENDS MUST BE ARRESTED NOW.

THIS CHART SHOWS WHERE THE FY 77 BUDGET -- WITH WHICH WE ARE ATTEMPTING TO CHECK THESE RELATIVE TRENDS BY STOPPING THE DOWNTREND (IN REAL TERMS) IN U.S. DEFENSE SPENDING -- STANDS WITH RESPECT TO BUDGETS OVER PAST YEARS. THE TOP THREE LINES DISPLAY DATA, WITH PREWAR FY 64 FOR REFERENCE, IN TERMS OF CURRENT OR "THEN YEAR" DOLLARS. THE BOTTOM PORTION OF THE CHART PRESENTS THE SAME DATA IN REAL TERMS ... CONSTANT FY 77 DOLLARS.

**ECONOMIES AND RESTRAINTS  
IN FY 1977 U.S. DEFENSE BUDGET**

(\$ in Billions)

— CUTBACKS IN EMPLOYMENT AND PERSONNEL COSTS, FY 1976-77	\$ .9
— PAY RAISE ASSUMPTIONS GS/MILITARY PAY RAISE CAP, NEW/EXISTING GS GUIDELINES	.8/2.6
— COMMISSARIES AND RETIRED PAY "KICKER"	.2
— MILITARY CONSTRUCTION AND FAMILY HOUSING CONSTRUCTION	.9
<b>SUBTOTAL</b>	<b>2.8/4.6</b>
— STOCKPILE ITEMS	.7/.8
<b>TOTAL</b>	<b>\$ 3.5/5.4</b>

ECONOMIES AND RESTRAINTS

WHILE THE PRESIDENT'S BUDGET PROPOSES IMPROVEMENTS IN FORCE MODERNIZATION AND READINESS, IT ALSO PROPOSES TO TIGHTEN THE BUDGET IN THE FOLLOWING WAYS:

- RESTRAINING PERSONNEL COSTS WHILE WORKING TO MAINTAIN THE QUALITY AND PROFESSIONAL STANDARDS OF THE ALL VOLUNTEER FORCE.
- INSTITUTING FURTHER EFFICIENCIES INCLUDING BASE REALIGNMENTS, HEADQUARTERS REDUCTIONS, REDUCED TRAINING COSTS, STOCKPILE LEVEL ADJUSTMENTS, AND CIVILIAN MANPOWER REDUCTIONS.
- THESE RESTRAINTS ADD UP TO \$3.5 TO \$5.4 BILLION, DEPENDING ON THE MAGNITUDE OF THE PAY CAP ACHIEVED.

IF CONGRESS FAILS TO APPROVE THE RECOMMENDED BELT-TIGHTENING MEASURES, ADDITIONAL APPROPRIATIONS WILL BE REQUIRED TO AVOID UNACCEPTABLE FORCE REDUCTIONS.

# **U.S. DEPARTMENT OF DEFENSE BUDGET** **FINANCIAL SUMMARY**

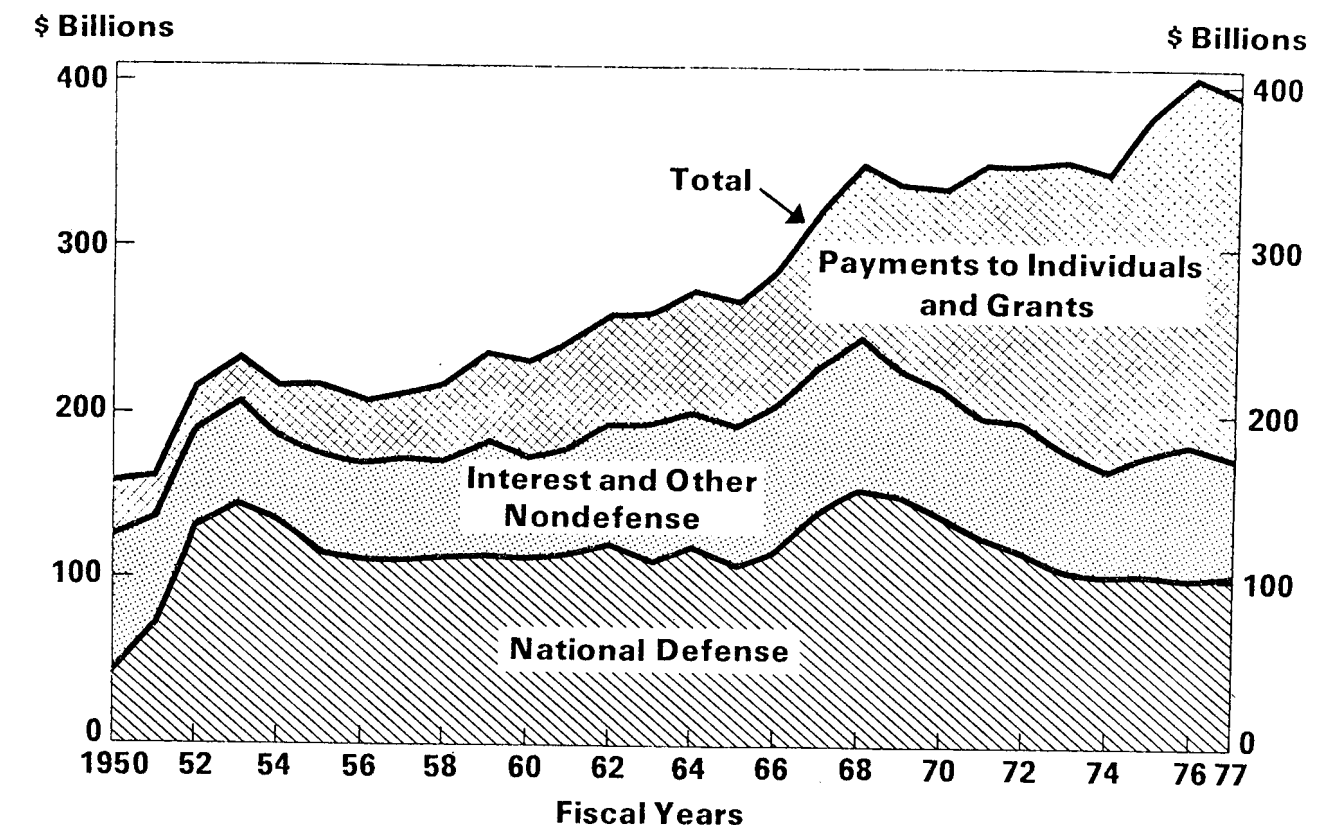
	<u>FY 1964</u>	<u>FY 1974</u>	<u>FY 1975</u>	<u>FY 1976</u>	<u>FY 1977</u>
<b>DOD/MAP as Percentage:</b>					
<b>Federal Budget (Outlays)</b>	42.8%	29.2%	26.5%	24.4%	25.4%
<b>Gross National Product</b>	8.3%	5.8%	6.0%	5.7%	5.4%
<b>Labor Force</b>	7.9%	5.2%	5.0%	4.8%	4.8%
<b>Net Public Spending</b>	28.1%	17.4%	17.3%	16.4%	16.5%

## U.S. DEPARTMENT OF DEFENSE BUDGET FINANCIAL SUMMARY

ALTHOUGH DoD OUTLAYS INCREASE \$8.9 BILLION FROM FY 1976 TO FY 1977 -- UP FROM \$98.2 BILLION TO \$100.1 BILLION -- THE PORTION OF THE NATION'S ECONOMIC RESOURCES ALLOCATED TO DEFENSE REMAINS VERY LOW, IN SOME CASES THE LOWEST LEVEL IN OVER A QUARTER OF A CENTURY.

- DEFENSE REPRESENTS 25.4% OF THE FEDERAL BUDGET, UP SLIGHTLY FROM FY 1976. IT REPRESENTS THE LOWEST LEVEL SINCE PRIOR TO PEARL HARBOR.
- DEFENSE AS A PERCENT OF GNP WILL BE 5.4% IN FY 1977, THE LOWEST SHARE SINCE PRIOR TO THE KOREAN WAR.
- DEFENSE EMPLOYMENT (INCLUDING MILITARY, CIVILIAN AND DEFENSE INDUSTRY) REPRESENTS 4.8% OF THE LABOR FORCE, THE LOWEST LEVEL SINCE PRIOR TO PEARL HARBOR.
- IN TERMS OF NET PUBLIC SPENDING (FEDERAL AND STATE AND LOCAL) DEFENSE WILL REPRESENT 16.5% OF THE TOTAL, EXCEPT FOR FY 1976, ALSO THE LOWEST RELATIVE SHARE SINCE PRIOR TO PEARL HARBOR.

# **U.S. FEDERAL OUTLAYS - CONSTANT 1977 DOLLARS**



## TOTAL U.S. FEDERAL OUTLAY PATTERN

OUR NATION'S NON-DEFENSE SPENDING CAN NO LONGER BE FUNDED OUT OF THE DEFENSE BUDGET. TODAY, NON-DEFENSE EXPENDITURES ARE NEARLY THREE TIMES THOSE OF DEFENSE.

IN THE EXTREME:

- A 10% INCREASE IN NON-DEFENSE SPENDING, TAKEN FROM THE DoD BUDGET, WOULD MEAN A CRIPPLING 30% CUT.
- A 33% INCREASE IN NON-DEFENSE SPENDING, FUNDED FROM DEFENSE SPENDING, WOULD WIPE OUT THE DEFENSE ESTABLISHMENT ALTOGETHER.

## CONCLUSION

CONTINUING THE TRENDS OF THE PAST YEARS WOULD HAVE TO BE CONSIDERED A CONSCIOUS DECISION TO ABANDON THE POLICY OF MAINTAINING "ROUGH EQUIVALENCE" WITH THE SOVIET UNION.

WHEN, AS WOULD BE INEVITABLE, THE FACT THAT THE UNITED STATES HAD MADE A DECISION TO SLIP TO AN INFERIOR STATUS WAS APPRECIATED BY THE WORLD, WE WOULD BEGIN LIVING IN AN UNSTABLE WORLD, FUNDAMENTALLY DIFFERENT FROM THE ONE WE HAVE KNOWN DURING OUR LIFETIMES.